

**a greener shade of blue?  
reflections on new Conservative  
approaches to the environment**

**“green  
alliance...”**

# a greener shade of blue? reflections on new Conservative approaches to the environment

edited by Tracy Carty

Green Alliance is an independent charity. For 28 years we have worked with businesses and other environmental charities to make environmental solutions a priority in British politics. We work with representatives of all three of the main political parties to encourage new ideas, facilitate dialogue and secure new commitments to action and progress on the environment.

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# easier said than done: the ecological challenge for Conservatism

**Stephen Hale**

Conservatism has been a distinct ideological strand in British political life for over two hundred years. The environment was a significant element of Conservative thought at the outset, as David Cameron notes in his contribution to this collection.

But the nature of the environmental challenge has changed profoundly over that time. The astonishing speed of globalisation and economic development has brought a catalogue of environmental impacts that threaten the foundations of our current and future prosperity, and pose a new and urgent challenge for the philosophy and political parties of left and right.

Even two years has proved to be a long time in environmental politics. In that time, environmental issues have moved from the margins to the centre of British politics and public debate. That process began with Tony Blair's decision to make climate change a focus of the G8 Summit in 2005. But David Cameron has dramatically accelerated the pace of change. He is the first leader of a major British political party to make the environment a central theme of his leadership from the outset. Green Alliance welcomes that.

This pamphlet brings together an impressive set of contributors to look much further ahead and explore

the Conservative's emerging approach to the environmental agenda, as well as the lessons of recent history. We are grateful to all of them: David Cameron himself, George Osborne, Oliver Letwin, John Gummer and Nick Hurd from the Conservative Party, and two eminent independent environmentalists, Tom Burke and Charles Secrett. Together they provide important insights and lessons for those concerned with the Conservative's future approach.

This essay explores three issues:

- the ideological challenge that the environment poses to modern Conservative thinking;
- the approach proposed to that challenge by contributors to this collection; and
- the lessons for the Conservatives of Labour's experience in government.

## Why are we doing this?

Green Alliance was established in 1979 with a mission to green British politics. Government policy is naturally our primary pre-occupation. But we also focus on the environmental policies of both opposition parties, and have hosted speeches in recent times by Charles Kennedy, David Cameron and his predecessor, Michael Howard.

We have chosen to publish this collection on new Conservative approaches to the environment because the discussion within the party is now entering a crucial phase, and David Cameron's focus on the environment has dramatically raised the stakes. After ten years of a Labour government, it is clearer than ever that speeches and exhortation alone do not deliver. A strong philosophical foundation and resolute political leadership are critical to driving change across Whitehall and in society.

### All roads lead to the shadow cabinet

The policy commissions appointed by David Cameron report in the summer of 2007. The appointment of Zac Goldsmith and John Gummer as co-chairs of the Quality of Life Commission has raised hopes and expectations of this process in the environmental community.

But there are of course six policy commissions. Their make-up is a reminder that David Cameron's Conservative Party (like Tony Blair's New Labour) is a very broad church. Despite efforts to build links between them, their reports seem likely to provide a full and often contradictory menu of approaches and specific proposals.

So all roads lead to the shadow cabinet, and the small group of politicians and advisers who are the driving force behind Cameron's Conservatives. They will pull together a substantive response to the policy commissions for approval by the shadow cabinet and publication in early 2008. It will be the first real opportunity to assess the prospects for environmental policy under a future Conservative government.

### A profound challenge for the right (and left)

The most urgent issue facing all parties is of course climate change, on which we must take decisive action globally within the next ten years. If we fail to do so, Nicholas Stern's report on the economics of climate change<sup>1</sup> found that it could have a greater economic impact than the last two world wars and the great depression of the 1930s. It could reduce global gross domestic product by as much as 20 per cent, leaving aside the ecological and humanitarian impacts. It is a challenge that defies categorisation, with immense economic, social, security and development implications.

Above all, it is already an impending human tragedy. To take just one example, a two degree rise in global temperatures would increase the area of Bangladesh annually affected by flooding by at least 25 per cent. Globally, the Intergovernmental Panel on Climate Change estimates that it could create 200 million refugees by 2050. Climate change is not simply an environmental problem.

But it is also not the only environmental problem. The urgent need for action on climate change is now acknowledged across the British political spectrum, at least in principle. But the need for action on many other issues is much less well understood. Current patterns of economic life in the UK bring with them a variety of other profound effects, from the destruction of the rainforests internationally to the loss of countryside to development in Britain and the public health effects of our addiction to the car.

**“David Cameron's focus on the environment has dramatically raised the stakes”**

“ the environmental case should not be seen as a preserve of the left-liberal parties”

The underlying issue in all of these cases is the imperative to respect ecological limits. It has been the recurring theme of contemporary green thinking, though interpreted in many different ways. It challenges the economic growth paradigm that dominates mainstream thinking on both left and

right. Their responses will vary. But both must find new ways to meet our needs that respect global, national and local environmental limits.

The modern environmental agenda is associated more frequently with the left than the right. But the environmental case should not be seen as a preserve of the left-liberal parties, for several reasons:

- the global scale and complexity of the challenges posed by climate disruption and other ‘tragedies of the commons’ demand as much intellectual and political ingenuity and energy as we can generate;
- parties of the left have not been consistently effective at developing solutions to environmental challenges, partly as a result of their roots in the politics and economics of production and consumption; and most importantly
- while the dominant strand in recent Conservative thinking has been highly damaging to the environment, there is a Conservative tradition that places a strong emphasis on stewardship of the land and the conservation of natural heritage.

## Conservative philosophy and the environment

David Cameron’s contribution to this collection opens by arguing that “it is precisely because my political outlook is rooted in Conservatism that I am so passionate about the environment”. He is right to argue that there are synergies between the Conservative and environmental agendas. Some forms of Conservatism have placed a strong emphasis on preserving the commons and the common good, and taken a multi-generational perspective that accords a real weight to the legacy that we leave to future generations. The contribution by Oliver Letwin to this collection, on the need to accord beauty a prominence in our political decision-making, draws on that heritage.

But Conservatism is a broad intellectual philosophy. The neo-liberal version of Conservatism that has had such a strong influence on American and British Conservative thinking over the past thirty years has proven very environmentally destructive. It has promoted ‘market forces’ to the detriment of communities and family life. It has tended to foster economic growth without a proper regard for the environment, and to be reluctant to intervene in imperfect markets. There are notable exceptions of course, but the dominant underlying ideology has led to irreversible environmental damage.

David Cameron’s emerging philosophy of social responsibility is a significant departure from this neo-liberal model. But it underpins a familiar call for a smaller state, in line with Conservative traditions and in contrast to what he argues is Labour’s overbearing statism.

## The big issue: the role of the state

Many environmentalists would challenge the application of this critique to Labour's record in government. The environmental critics of the chancellor argue that he has intervened too little, not too much. The role of the state is the central issue that David Cameron must resolve if he is to develop an approach to the environment that delivers in government. Does the environmental imperative require greater state intervention and, if so, is there a clear Conservative foundation for such action?

This is the focus of both David Cameron's and Nick Hurd's contributions. Nick Hurd tackles some of the underlying ideological issues head on. He acknowledges the Conservative's instinctive scepticism of government intervention, and asks how a Conservative government can therefore deal with the urgent challenge of climate change. This tension is particularly pressing for Nick, who has argued that the UK should aim for an 80 per cent reduction in carbon emissions by 2050. He outlines what he sees as the key roles of the state and asks "to what degree are we prepared to champion the freedom of personal choice when those choices impose a high cost on others?"

David Cameron's contribution explores similar territory. He sketches out the implications for environmental policy of his philosophy of 'social responsibility'. He rightly makes a virtue of the observation that "the state does not have all the

answers." As he says, we need a step change in personal and business commitment and action to tackle climate change successfully.

But it also includes signs of his recognition that this does not imply downplaying the role of the state. Indeed, he goes some way to acknowledging that greater action by government will be essential to enabling this individual and business action. He argues that "...of all these responsibilities, the greatest lies with government, which must give a lead on the issue and set the agenda."

George Osborne focuses on the relationship between the environment and the economy. He offers three reasons why environmental policy can benefit the economy: it will help to mitigate the damaging economic effects of climate change; energy efficiency policies have economic benefits; and global environmental markets offer significant

employment opportunities. These provide a fairly limited platform for action. A more aggressive Conservative case for intervention has been made elsewhere.<sup>2</sup> As befits a shadow chancellor he is also cautious about drawing policy conclusions, although he does outline the Conservative's bold proposals for aviation taxation.

The free market and global growth model has dominated the thinking of recent Conservative governments. Nicholas Stern memorably described climate change as the greatest market failure that the

**"The neo-liberal version of Conservatism that has had such a strong influence on American and British Conservative thinking over the past thirty years has proven very environmentally destructive"**

world has ever seen. There are clear signs here that the Conservatives may be ready to tackle this. But it is easier said than done. Their willingness to make specific policy commitments in opposition will provide a more meaningful yardstick for predicting their behaviour in government.

### Beyond the state: challenges to green thinking

David Cameron is right to acknowledge the limits of state power and the crucial importance of the attitudes and actions of businesses and individuals. His analysis poses an important challenge to the green movement. While some deep green thinking aspires to small and self-reliant communities, the mainstream British environmental movement consistently focuses on securing decisive action from central government.

Neither Labour nor the Conservatives look likely to offer a vision of government of this kind. Despite (or because of) the Conservative's accusations, the chancellor now speaks of an "enabling" government and "the servant state." Unless we can raise the

public appetite for action, the environment is not likely to become the exception to the rule of diminishing state intervention in markets. The environmental community must redouble its efforts to persuade individuals, businesses and others to act, if it is to trigger further decisive government intervention.

**“ Their willingness to make specific policy commitments in opposition will provide a more meaningful yardstick for predicting the Conservative Party's behaviour in government”**

So who moves first? Politicians of both left and right are wary of decisive state intervention and await greater evidence of corporate and public concern. Both emphasise that individuals and businesses must alter their behaviour and reduce their environmental footprint. But government leadership will be critical to persuading and enabling them to do so. Our democracy needs smarter ways to broker this discussion.

### Beyond markets and climate change

The remaining two Conservative contributions cover different territory and provide important perspectives for a future Conservative government.

Oliver Letwin's contribution builds on the need for politics and political decisions to take into account the beauty of our natural and built environment, and takes on the critics of that position. It provides a valuable corrective to the dominance of the growth model, and is a strong foundation for a different approach. It chimes with perhaps the most intriguing sentence in this pamphlet; David Cameron's pledge that "Greener living for communities, and better protection of our natural environment will be crucial priorities for the government I lead." We await further details.

John Gummer opens on similar territory, but goes on to focus on another issue; the environmental case for the Conservatives to take a positive approach to Europe. He puts his case clearly and forcefully, arguing, "There is no way in which we can solve the problems of pollution except at a European level."

David Cameron's position on Europe now embraces this view. In his most recent major speech on

Europe, he described the environment as one of the three key areas for common European action. But he makes the case for common action from a position of virtual isolation, having announced his intention to split from the European People's Party to form a new partnership with the (climate change denying) Czech Civic Democrat party.

### Lessons from recent history

We can all learn from our histories. The contributions here from Charles Secrett and Tom Burke show that the Conservatives can certainly do so. David Cameron has done so very publicly in other areas, expressing regret for the approach taken by the last Conservative government to social justice in Britain and to the apartheid regime in South Africa.

He has not publicly repudiated their record on the environment. But there are important lessons to be learnt from the retrospective analysis offered by Tom and Charles, in public or private. Their criticisms, and occasional praise, need not be repeated here. But they are essential reading for those aiming to do better.

Labour's experience in government since 1997 also offers vital lessons for the Conservatives. Hopes were high in many quarters for Labour's environmental policy. Labour had raised expectations through their policy document, which included the now un-achievable pledge to reduce carbon emissions by 20 per cent by 2010.<sup>3</sup> The 1997 manifesto promised to put the environment at the heart of government. Things feel rather different now. In retrospect, four lessons emerge.

**“ political leadership from the centre is absolutely critical”**

First, political leadership from the centre is absolutely critical. The silos of Whitehall defeat any effort to deliver that is not driven from the very top. Tony Blair did not provide that until very late on. He had not made the personal political commitment as leader of the opposition that Cameron has chosen to do.

Second, a commitment to the environment needs to be shared across both government and party. This was a constraint for Blair in 1997, and one that David Cameron currently shares. A truly 'sustainable' view of the environment is not in the DNA of either party. So Cameron must win hearts and minds in the parliamentary party and beyond. Many Conservatives at both local and national level remain publicly sceptical or hostile to this agenda. For proof of that, look no further than the minimalist approach outlined in the 2007 Scottish Conservative Party manifesto.

Third, it is critical to take decisive action from the outset. The time lag between action and outcome is painfully long. It takes several years to establish initiatives and policies that alter the framework for decisions by businesses and individuals and deliver visible changes for people and the environment. The trajectory of carbon emissions is particularly difficult to shift within a single parliament.

Fourth, and most importantly, Labour's experience proves that change and success is only possible if new initiatives and policies are brought forward in

**“ Cameron must win hearts and minds in the parliamentary party and beyond”**

ways that deepen public support for action and open up political space for future action. Labour lacked a clear political strategy and has been deterred by unanticipated public reaction on issues such as fuel duty. There is no space here to think through the nature and sequencing of such an approach. But such planning must be done in opposition, in conversation with civil society groups who can help to build public support for action.

### Conclusions

David Miliband has consistently infuriated his Conservative counterparts by asserting that Labour's values and collective instincts are the only possible foundation for effective action on climate change. The Conservative contributions to this collection offer an alternative basis for action. But experience since 1997 confirms that values alone are not enough. There are five critical challenges that the Conservatives must tackle to establish their credibility in opposition, and confidence that they would deliver in government. They must:

- establish a strong and public intellectual foundation for government intervention;
- develop an environmental strategy that incorporates the natural environment and greener living, as well as climate change;
- identify in opposition their proposals for early action in government;
- rethink their isolationist approach to European politics; and
- develop a political strategy that builds public commitment and action alongside their plans for policy action.

It is early days. The Conservatives in opposition are making an influential contribution to public debate on the environment. They will only succeed in government if they tackle these five issues. The environmental movement has been disappointed before. The response to the policy commissions in early 2008 will be the first real opportunity to assess the prospects for a future Conservative government. I look forward to reading it.

**Stephen Hale is Director of Green Alliance.**

“values alone are not enough”

# improving our environment: a social responsibility

## Rt Hon David Cameron MP

For the first time in British politics, a major political party has given the environment equal billing alongside economic and social matters. When I became leader of the Conservative Party just over a year ago, I wanted to take that opportunity to push the protection of our environment right to the top of the political agenda. I recognised then, as I still do now, that those on the left would dismiss it as a gimmick. I also recognised that those on the right would subject me to open criticism and sometimes vilification. In doing so, both seemed to be asking the same question: what can a Conservative bring to the environment debate?

I am always surprised by this question. It is precisely because my political outlook is rooted in Conservatism that I am so passionate about the environment. Writing in the late 18th century, Edmund Burke, the father of Conservative thought, described history as “a pact between the dead, the living and the yet unborn.” Put another way, we cannot just think of ourselves as actors in an isolated moment of time, but instead as guardians and purveyors of a vital inheritance. Guardians, in that we have inherited it from previous generations, and purveyors in that we have a responsibility to pass it on to future generations.

“It is precisely because my political outlook is rooted in Conservatism that I am so passionate about the environment”

Therefore, Conservatism is partly about the conservation of the best our country has to offer: institutions such as parliamentary democracy and common law for example. Another important part of our inheritance is our collective environment. Right now, in an affront to our ancestors and to the neglect of our descendants, we are threatening that legacy. Our generation will rightly be judged by its response.

There are other reasons why Conservatism and the environment agenda go hand-in-hand. Conservatives believe in social order and security, and it is obvious that our continued

reckless disregard for our planet endangers this. Second, we are optimistic about society’s ability to meet this challenge. We believe that competitive economics has the potential to produce innovation and scientific progress that can turn tackling climate change from a threat to an opportunity.

“we are optimistic about society’s ability to meet this challenge”

Third, and most crucially, we understand that the state does not have all the answers. All of mankind must take responsibility for climate change and all of mankind must make sacrifices in combating it.

These are simple words to use but, if applied correctly, they will result in a fundamental culture change in attitudes to our environment and our ability to protect it.

We have already made the first important step. I am proud of the Conservative Party's role in making the green agenda a central part of our political discourse. Scientists, politicians, economists, business leaders, and the general public: the past year has seen the development of a remarkable consensus and transformed environmentalism from being a niche concern to a mainstream part of our political debate.

Now, we need to make the leap from mainstream culture to decisive and resolute action. And for this to happen, we must make sure everyone changes their behaviour and plays their part.

We should not be naïve about how difficult this will be. We must recognise that we will be fighting a basic human instinct to satisfy our every want with a lack of concern for the consequences.

But if we are to succeed, we cannot afford to hand over the agenda to those who believe that old, statist methods of compulsion are the answer. Conservatives have a vital role to play in the

**“Conservatives have a vital role to play in the environment agenda because we have the right solution: social responsibility”**

environment agenda because we have the right solution: social responsibility.

Social responsibility sums up my political worldview. It is central to my vision of Britain. It is a Britain where we do not just ask what government can do, but we ask what people and society can do. A Britain where we realise that we have responsibilities, not just to ourselves, but also a social responsibility to each other.

In order to protect the environment, there are four key responsibilities. Government has a responsibility to establish the framework, businesses to employ corporate responsibility, local communities to inculcate a culture of civic responsibility and individuals to assume personal responsibility. And because the Conservatives understand the boundaries of government, how business works, the value of localism and the importance of individual freedom, we are best placed to effect that cultural change, which is imperative if we are to protect our environment.

Of all these responsibilities, the greatest lies with government, which must give a lead on the issue and set the agenda. This means establishing a framework that sets a long-term price for carbon, incentivising green behaviour by taxing the bad and rewarding the good, and working hard to bring in other countries from around the world to commit to similar schemes. Such a long term price for carbon will make it easier for business to act and for consumers to respond and change their behaviour and choices.

Setting a long term price for carbon will be made easier by annual binding targets for carbon reduction. In this respect, it looks as if the government's Climate Change Bill will be a cop-out. They are proposing to set carbon emissions targets for every decade, despite the fact that in each of their last three manifestos they failed on a similar commitment to reduce emissions by 20 per cent by 2010.

Only annual targets will provide the accountability that is desperately required and help us to reduce our emissions by 60 per cent by 2050, in line with the present recommendations of the Intergovernmental Panel on Climate Change. They will create a price for carbon in our economy, meaning that things that produce more carbon will become more expensive. This in turn will spur innovation in the UK production of low carbon products, which are the stuff of the emerging low carbon economic boom that we want the UK to be at the forefront of.

And establishing the right framework of accountability means establishing an Independent Climate Change Commission, that checks progress on these targets, and the environment secretary publishing a Carbon Budget Report.

However, targets alone are not enough. Delivery on these targets is what really matters, and this will involve tough and difficult decisions. In this respect, the government should take a lead in effecting a change in the behaviour of everyone in this country by increasing the

burden of taxation on those things that damage our environment as a replacement for other taxes. In his 2006 Pre-Budget Report, the chancellor's increase in air passenger duty, without alleviating the tax burden elsewhere, was simply taxation by stealth. This only gives green taxes a bad name, and will not help to change the cultural perception that 'going green' is painful and an infringement economically.

The Conservative's aim is not to increase the tax burden on hard working families but to rebalance taxation so that the polluter pays and the non polluter pays less. It's time to move taxes from income and investment to pollution – pay as you burn, not pay as you earn.

What's more, we should be careful of a totemic approach, where we target air travel or 4x4s without thinking about the bigger picture of transport policy. At the moment, there are 48 flights every day from London to Manchester. This may seem crazy, but we need to recognise that people need to be offered an alternative to flying and driving.

Currently, a walk-on return ticket on a plane between London and Manchester will cost at most £179, compared to £219 for a standard open return by rail. Coupled with the fact that train carriages are often full to bursting, we can see why passengers are deterred from using the more environmentally-friendly option.

We need a twin-track approach: making the costs of carbon clear while at the same time investing

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in and offering a clear substitute. Only this will precipitate the cultural shift that is necessary to tackle climate change.

Government also has one other crucial responsibility – to assume leadership globally. The common argument of sceptics is that there is little point in acting alone if we cannot guarantee the involvement of our economic competitors in China and the United States.

But it is only through showing leadership domestically that we can apply the moral pressure abroad. There is an old Chinese proverb: “Tell me and I will forget. Show me, and I will remember.” I

am confident that future international agreement can be attained if we first act nationally, locally and individually.

Sceptics also misunderstand the profound changes that these countries are undergoing. Farmers in China have rioted and held demonstrations over pollution damaging their crops, and last year

the Chinese government spent three per cent of its gross domestic product on green measures, much of it related to carbon emissions. What’s more, China is one of the world’s poorest countries in terms of resources per capita and they introduced laws this year that aim to double the use of alternative sources of energy. Already their vehicle emissions standards are higher than those in the United States.

In the United States, there is a new generation of political leaders who want to assume the mantle of environmentalism. Like me, Senators Hilary Clinton and John McCain have both been on fact-finding missions to Svalbard to see for themselves the melting of the polar ice caps. And Senator Jeff Bingham, chairman of the Senate Committee on Energy and Natural Resources, predicted that climate change and the reduction of greenhouse gases will be at the forefront of issues tackled by Congress in 2007.

Now is surely the time to intensify the search for an effective, equitable international agreement to succeed the current Kyoto targets in 2012. Any future agreement should include setting binding targets for the developed world, whilst encouraging China, India, both of them parties to Kyoto already, and other rapidly developing nations to adopt lower carbon pathways to growth.

Assuming leadership internationally also means working with our partners in the European Union and with the European Commission. I have repeatedly said that this is an opportunity for a forward looking and positive agenda in Europe, but instead of naval gazing over issues such as the constitution we should be focusing on our collective responsibility towards the planet and re-enforcing the EU Emissions Trading Scheme.

So government has a massive responsibility to set the framework for carbon trading, encourage green growth through fiscal incentives and push for international agreement on global targets.

“Assuming leadership internationally also means working with our partners in the European Union and with the European Commission”

But I want to put down another marker. A greener future may start with the vital need to tackle climate change, but it does not end there: we need a greener earth as well as greener skies.

Today, some 15,590 different species are known to be threatened with extinction. Of course, species have come and gone during the evolution of life on earth, but scientists now agree that the extinction rate has risen by at least 100 per cent since the industrial revolution. That's not some accident; it is our doing.

As with climate change, this unconsidered cull of our natural inheritance has implications that reach well beyond our generation. Losing biodiversity is about closing down options. This is not just the pleasure we take from the natural environment, but options – many perhaps yet to be discovered – about health, scientific discovery, medicine and food security.

Greener living for communities and better protection of our natural environment will be crucial priorities for the government I lead. This means addressing issues such as the pollution of land and rivers and striking a better balance between development and conservation in our planning system.

But I am a Conservative, and I do not believe that government has all the answers and must assume all the responsibility. We all have a responsibility to do our bit.

**“A greener future may start with the vital need to tackle climate change, but it does not end there: we need a greener earth as well as greener skies”**

Corporate responsibility means businesses adhering to best practice. The quid pro quo here is that if they do the right thing, government will interfere less. It's a simple bargain. We'll expect business to do its bit

by moving away from carbon-heavy sources of energy and reducing the amount of energy they use in the first place. And, of course, government must support them in doing that by providing the market changes and long term certainty that they need.

I am an avowed believer that open markets and competition are the most commanding drivers of change on the planet, and I believe that business can and must be an enormous force for good in our world.

Using their expertise, dynamism and creativity, we should be optimistic about the development of a new generation of environmentally-friendly products and sources of energy. That is real green growth – using the power of markets to dictate future innovation and progress.

**“open markets and competition are the most commanding drivers of change on the planet, and I believe that business can and must be an enormous force for good in our world”**

For example, new environmental technologies are bringing massive hope to Britain's farming community: biomass crops and biogas to provide heat and electricity; and combined heat and power to make us more energy efficient. Farmers can play a leading role in the technologies of the future.

Instead of being left behind, the Conservatives want to see Britain lead the green economic revolution just as it did the industrial revolution.

Civic responsibility means communities standing up and taking a role in preserving their local environments. I understand that environmental concerns will be a lost cause if we cannot get people to connect with the direct consequences of their actions. And, as a Conservative, I recognise that this will be best achieved through drawing on people's attachment to their local community.

Sceptics need only look at the response to the Conservative Party's local election campaign of May 2005, when we told people to 'Vote Blue, Go Green'. Few said it would work, but it was the bulwark of a successful campaign because it chimed with the aspirations of so many people for a cleaner, greener future.

And there is so much that can be done. For example, Barnet Council is setting a new target for waste recycling – up from 32 per cent today to 40 per cent by 2011. Bromley Council is pioneering a project to collect used cooking oils from local restaurants and

turn it into biodiesel, to drive council and hospital vehicles. And Runnymede Council runs a school bus scheme with local businesses to cut rush hour congestion and reduce emissions.

Personal responsibility means us all playing our part, however small, to make a difference. A recent poll in *The Times* stated that 75 per cent of people recycled everything they could – yet this is not played out by the facts. This shows that there is a desire to do the right thing, but not often the chance to do so.

The Conservatives have always been the party to match aspiration with opportunity through empowerment and not compulsion. Setting the framework outlined above would give people the opportunity to do what they believe is right.

It is incredibly empowering for individuals to know that they can make a difference right now by using energy-efficient light bulbs or recycling their household waste. And in the long-term, this could involve catching the train to work, investing

in green energy or purchasing the latest environmentally-friendly products.

The Conservative Party has placed green issues right at the heart of the political debate. We have a great team, including Peter Ainsworth, Greg Barker, John Gummer, Zac Goldsmith and a host of other committed environmentalists, who are working to find the best solutions to meet the challenges posed by climate change.

**“The Conservatives have always been the party to match aspiration with opportunity through empowerment and not compulsion”**

We all realise that there is cause for great optimism and we want to recapture climate change from the pessimists. Of course it presents huge challenges. Of course the issues are complex. Of course it will require us to change. But when I think about climate change and our response to it, I don't think of doom and gloom, costs and sacrifice. I think of a cleaner, greener world for our children to enjoy and inherit. I think of the almost unlimited power of innovation, the new technologies, the new products and services, and the progress they can bring for our planet and all mankind. And I think of the exciting possibilities that may seem a distant dream today – changing the way we live to improve our quality of life.

**David Cameron is a Member of Parliament for Witney and Leader of the Conservative Party.**

## paying the price

### Rt Hon John Gummer MP

Environmental policy must not be subsumed into a fight against global warming. Yet that is the danger as the world becomes increasingly concerned about the effects of greenhouse gases. Climate change is but a symptom of the disease, not the disease itself. If we merely treat the symptom, the underlying cancer will remain. The central fact is that there is a cancer eating away at the vitals of the planet. That cancer is rooted in mankind's failure properly to value the resources that sustain us. In this sense, it is market failure on a colossal scale that bedevils our lives.

It seems part of the human condition that we can put a price on everything except the things that really matter. We have always recognised that truth when it is applied to an individual's health of the body, mind, and spirit. We say that love, health, happiness, contentment and so many other non material concepts are 'priceless'. Even so, we usually take them for granted, to be noticed only in their absence. Then their priceless importance becomes all too clear.

We understand that these goods are truly outside our pricing structure. We have learned to live with that but we recognise the conflicts it imposes: in our struggle for a work/life balance; our realisation of the need to 'work at a marriage'; and our modern concern with 'well-being'. These are considerations which attempt to deal with the mismatch between

what is priceable – what we earn, the things we own, and the capital and materials we use – and what we acknowledge to be priceless.

### Pricing the common good

What is new to us all is the realisation that there is another category of really big things on which we do not put a price. They have been raided by humans with no account taken of their cost. It is only now, when that cost has mounted until it endangers our ability to live on the planet, that we have taken fright at the enormity of our debt. The air we breathe, the sea that surrounds us, the rivers and aquifers that provide our water, the forests that affect our climate, the soils and the fish – everything that we hold in common. These we take for granted as an unpriced given in the equation of life.

And it is an equation. Life depends on the continuance of the complex interconnection of things – an interconnection which the hole in the ozone layer and global warming have thrown into sharp relief. Who would have thought that my action in using shaving foam in the morning would be capable of challenging the integrity of the atmosphere? One of my ministerial team at the Department of the Environment, to this day, finds it impossible to accept that all those tiny sources of ozone-depleting chemicals could possibly gather together with sufficient force and concentration to create that hole!

“ it is market failure on a colossal scale that bedevils our lives”

## Community and individualism

Therein lies the real problem. The individualism that has made life so much better for so many people has also meant that we have unlearned what tribal societies and village communities knew so well. We find it very hard to accept that our private consumption, our personal morality, or our individual actions can, outside that very narrow category of things described by law, have an important effect on the health of the world as a whole. Indeed, it is part of the trouble with globalisation that it makes the individual feel that his actions do not matter because they can't change things. We talk about the global village but we haven't relearned what the village knew – the huge effect that each one of us has on society as a whole. My friend, the ex-minister, would agree that he poisoned the water for everyone if he peed in the swimming pool – it is the sheer size of the globe that makes it hard for us to take individual responsibility for actions that, in aggregate, threaten our very existence.

So, if we define our global problem as the misuse, wastage, and pollution of our unpriced resources, we have to accept that it is a problem caused by individuals – albeit by billions of them, living and dead. So, saying that we have a global problem and, therefore, that it demands a global solution is true, but only partly true. Just as the global problem is the result of the sum of individual actions, so the global solution will depend on billions of small changes by billions of

individual people. All of those changes will derive from our learning again that we are all interdependent and our choices and our actions must reflect that.

## Society's role

Nonetheless, we have to be organised. Local, national, regional, and global institutions – public and private – have to create the conditions in which it is easiest for us to act and consume in a way which recognises the value of all the planet's resources and safeguards them. Accepting our individual responsibility for the common good doesn't mean that we don't also recognise the value of corporate action. Indeed, once we understand the interrelation of all things and the pervasive nature of the eco-system, the case for common action

becomes irresistible. Our individual responsibility is to act in concert. After all, our misuse, wastage and pollution is common, as well as individual.

And it goes beyond our national confines. We in the UK have dirtied the air of Britain but half that pollution we export to the rest of Europe and half of the pollution we have here has come over from the continent. There is no way in which we can solve the problems

of pollution except at a European level. There is no place for the UK Independence Party in environmental politics. That perhaps explains why so many of them remain climate change deniers. Selfish, xenophobic individualism won't solve environmental problems that do not respect national boundaries.

“we are all interdependent and our choices and our actions must reflect that”

“the sheer size of the globe makes it hard for us to take individual responsibility for actions that, in aggregate, threaten our very existence”

## Europe leads

To say that, does not invalidate individual, communal, local, or national action. All of these have an essential part to play, but the context in which they play it has to be determined on a European level. For example, HFCs (hydrofluorocarbons) are chemicals with 2,000 times the global warming potential of carbon dioxide. Many companies have already recognised that they should not be used. They ought to be banned but one country on its own cannot do it. Together, Europe is big enough a market for refrigeration and air conditioning to insist and the world will follow. A recent article in *The Wall Street Journal* revealed how European environmental leadership was increasingly setting the agenda in the United States.

American companies are finding themselves forced to follow that lead and, as a result, although often begrudgingly, the United States government will ultimately follow suit.

So, although we need new global institutions to universalise the drive to value the world's resources properly, the means to get the project under way are already in place. We can recover individual and local responsibility for our resource use. We can achieve and extend that by a regulatory and incentivising regime laid down by government and parliament. And we can make that competitively possible by using the extent and reach of the European Union to change the way in which the world's commerce works.

“we can use the extent and reach of the European Union to change the way in which the world's commerce works”

However, all of this does demand that we look beyond the crisis caused by climate change and concentrate on its cause. Global warming has happened because human beings have failed to value properly what most matters in the planet that sustains us. Only by paying the price that will sustain our environment can we hope to survive.

**John Gummer is a Member of Parliament for Suffolk Coastal and is Co-Chairman of the Conservative Quality of Life Commission.**

“Global warming has happened because human beings have failed to value properly what most matters”

# the role of the state

## Nick Hurd MP

It is argued that little divides the two major parties in British politics. Under the respective leaderships of David Cameron and Gordon Brown, this argument will look increasingly redundant. Already, a key dividing line is being established around the role of the state. At the 2006 Conservative Party conference, David Cameron spelt it out. His leadership will be defined by the concept of social responsibility, which is to be contrasted with the commitment of a Brown administration to command and control politics from the centre.

Since then, the Conservative leadership has made another important statement by supporting so explicitly the Sustainable Communities Bill (promoted by the author of this piece), whose main driver is a desire to see local communities have much greater influence over the sustainable development of their communities.

This positioning is a welcome reaffirmation of traditional Conservative scepticism about the degree to which we should rely on central government to meet the challenges of the day. But how does this fit with arguably the biggest challenge – managing the risk of serious climate instability?

For the Conservative Party, the climate change issue could be seen as raising some demanding questions:

- to what degree are we prepared to leave it to the market when the market fails to put a price on the damage we do to the natural capital on which we depend?

- to what degree are we prepared to champion the freedom of personal choice when those choices impose a high cost on others?
- what is a Conservative vision of the role that the European Union (EU) can play, given our traditionally eurosceptic position?

In fact, this contribution will argue that the right policy response to the challenge of serious climate instability is rooted in principles and instincts that are distinctively Conservative:

- the central role of government is to set a clear and credible framework. Once the limits have been set, the government should leave us free to make our own choices and focus on making it as easy as possible for us to make the changes. Rather than preach and complicate, it should persuade and simplify. We cannot rely on politicians but have to develop a sense of social, shared responsibility. Rather than impose solutions from the centre, we should be looking to empower people to find out what is right for them.
- the market is the most cost effective way to drive behaviour change and raise standards – but markets can be imperfect and it falls to

**“The central role of government is to set a clear and credible framework”**

government to correct market failures. The priority now is to ensure that the market puts a fair value on carbon. Our freedom to choose needs to be based on proper prices.

- there is no national solution to climate change and Britain's contribution must be set in the context of a credible international settlement. The EU has shown leadership on the environment and is well placed to lead an international coalition of the ambitious towards the key settlement. This is what the EU is meant to be – a force for peace, prosperity, and effective cooperation on the issues that cross borders. A party that is sceptical about the value of monetary and political union should welcome this opportunity for the EU to redefine its relevance to a new generation.

### Get the framework right

In the last nine years, government rhetoric on climate change has been undermined by inconsistent, overcomplicated and often incompetent policy implementation at home, as well as the widely acknowledged ambivalence of Gordon Brown and the Treasury. As a result, emissions have actually risen since 1997 and there is little credibility around the voluntary short and long term targets. A step change of ambition is required, which needs to be supported by greater clarity of purpose and competence in delivery.

### Get the frame right

Climate change policy needs to be framed in a way that persuades the broadest possible coalition that it is in our interest to start reducing our emissions now. It does not have to be just about averting

disaster. It is also about the opportunity to reduce our energy bills and improve our security, improve health outcomes, reduce the need to travel, improve the local environment, deliver more fairness in the world and more job and profit opportunities in Britain. In short, this journey can be towards a better quality of life and a more competitive economy.

The government needs to think about how to frame an ongoing communication strategy that demonstrates these positive outcomes and links them to reducing emissions, so that there is a collective sense of 'we would want to be doing this anyway'.

### The right destination

If the government is to set the direction of travel, it needs to know the right destination. When it comes to managing the risk of serious climate instability, the politics must fit the science and not the other way round. The Conservative Quality of Life policy group believes that it is wrong to give up on the chance to limit global temperature increase to 2°C versus pre-industrial levels. The most credible analysis, not least the Stern and Intergovernmental Panel on Climate Change reports, tells us that the risks and costs rise substantially above that threshold. Our understanding of the most robust science available today tells us that the appropriate long term stabilisation target range for carbon dioxide atmospheric concentration is 400 – 450 parts per million carbon dioxide-equivalent, rather than the 450 – 550 parts per million cited by the Stern report. Consequently, we believe that the UK goal of a 60 per cent reduction in emissions by 2050 is likely to prove inadequate and that developed countries, or states within countries, will be obliged

to follow California in considering how we can reduce emissions by at least 80 per cent by 2050, at the minimum cost to our prosperity and quality of life.

### **A better process for setting limits**

Under pressure from the opposition, the government has agreed to a Climate Change Bill that has the potential to radically improve the way in which targets are set and performance accounted for. A statutory medium term target is particularly important for shaping the key investment decisions that will be taken over the next 15 years in replacing our energy generation infrastructure, and which will shape our ability to meet long term goals. A better process for setting targets needs to be matched by a more profound reform of departments, agencies and regulators so that the state is much more effective in the way that it coordinates its response to this most complex of political challenges.

Process is no substitute for policy though, which should be focused on putting a fair value on carbon and stitching it into the economics of daily, global life.

### **Put a fair value on carbon**

#### **Emissions trading**

To date, emissions trading appears to have emerged as the policy tool of choice over the concept of a carbon tax, which would be simpler and raise more money for government but arguably lacks the certainty and cost efficiency potential of a cap and trade scheme. The EU Emissions Trading Scheme (EU ETS) is the most mature scheme but, while its first phase has been helpful in testing the mechanics, it

has been a comprehensive failure in terms of reducing emissions or driving innovation. The failure has been a political one in that a cap and trade scheme is only as good as the cap, negotiated in this instance by national governments.

It is for governments to correct that failure and send a signal to the market about how the scheme will evolve to deliver a significant and sustainable price for carbon beyond 2012. That evolution should include a ratcheting down of free allowances to pollute in favour of more auctions. Political risk should be reduced by the development of a consistent and transparent methodology for determining caps, based on absolute emission reductions, and allocating any allowances.

A mosaic of emissions trading schemes is being created around the world. If the mechanism proves to be effective in reducing emissions, then governments can play a useful role in facilitating the linkage of carbon markets to maximise depth and liquidity, by encouraging a common set of design standards and scaling up mechanisms such as the clean development mechanism.

#### **Constructive regulation by outcome**

The decarbonisation of any developed economy will require a transformation in the energy efficiency standards of the products we rely on, from the car to the kettle. To achieve this transformation,

**“If the government is to set the direction of travel, it needs to know the right destination... the UK goal of a 60 per cent reduction in emissions by 2050 is likely to prove inadequate”**

**“The role of government should be to set the desired outcome and a timetable for achievement”**

government must shake conservative industries out of their comfort zones by taking a more radical and simple approach to regulation. The role of government should be to set the desired outcome and a timetable for achievement. It should not be in the business of telling industries how to do it. The

Conservative instinct is to leave that to the market: confident that competitive pressure will stimulate the innovation that we need. The construction industry, for example, should be set free from a web of complex regulations telling them how to build and simply face the requirement of delivering buildings to a set of required standards. They will then compete

more aggressively to achieve the outcome in the most efficient way, and that will be good for customers and good for the industry.

**Show government is serious**

In the first place, government must be seen to lead by example. Within realistic timescales the real estate and asset base of the public sector should set the standard for energy efficiency. A public procurement budget of £150 billion a year needs to be leveraged more aggressively in favour of pushing suppliers towards reducing their carbon intensity.

Stronger signals should be sent by the investment priorities of government. A 2004 report from the New Economics Foundation claims that global fossil fuel

subsidies amount to approximately \$235 billion a year. Diverting a small fraction of that money to renewable energy, carbon capture and storage or promoting energy efficiency would make an enormous difference. Every year the government gives some £6 to £8 in fossil fuel subsidies for every £1 to support clean and renewable energy, and a typical British taxpayer pays at least £1,000 a year to fund perverse subsidies to the fossil fuel industry. Surely it is time to bury the past and invest in conserving the future?

The Treasury has been extraordinarily complacent in the face of opportunities to send stronger signals through the tax system. The Climate Change Levy needs to be turned from a tax on energy into a tax that incentivises lower carbon choices. Air passenger duty is an inefficient tax that sends no environmental signal and should be recast as an explicit green tax. Why do we tinker around with vehicle excise duty when we can send really powerful price signals through vehicle sales tax? Why do we still not have an aggressive tax incentive for people to insulate their homes, when all the evidence suggests that this one single action can make such a big impact?

**“Every year the government gives some £6 to £8 in fossil fuel subsidies for every £1 to support clean and renewable energy”**

Finally, government must be seen to take a consistent approach across the big strategic policy issues. A government which plans extensive house building on flood plains and adopts a predict and provide approach to the fastest growing source of emissions (aviation) will

struggle to persuade people that it is serious about the journey towards a low carbon future.

### Help people make low carbon choices

The information landscape needs de-cluttering so that people can get easy access to objective advice on what will make a difference and work for them. High impact actions need to be identified and the incentives aligned to make that action not just easy but absolutely compelling for the largest number of people. A useful precedent would be the way in which a Conservative government prepared the transition from leaded to unleaded petrol.

Last but not least local government, who have been the agents of change in terms of attitudes to recycling, should have greater freedom and resources to innovate and engage their communities with the opportunity to reduce carbon.

### Secure international agreement

There is no national solution to climate change. Therefore, in the context of managing climate risk, there are necessarily two dimensions to the role of government: home and abroad. Both are important and are interconnected in a complex way. We have reached the stage where international leadership can only be built on a credible domestic track record, an awkward point for a British government that has presided over a rise in emissions since 1997. However, we will not take the British people with us on the journey unless they feel they are part of a collective international effort.

A critical role for government therefore lies in contributing to the development of a credible

international agreement on climate change that does not compromise our national interest.

The UN dialogue is the right vehicle for the final agreement but that process is cumbersome and proceeds at the pace of the least willing. The show must be kept on the road, but there is a need to build a coalition of the ambitious and the significant number of people who see it as being in their national interest to take a more effective lead. It is right for Britain to seek a leadership role in that process but we cannot go it alone. The most effective position for us is as the backbone of the EU; pushing it to lead the coalition of the ambitious: driving the reform of the EU ETS as the stepping stone towards a global carbon market; and leveraging the single market to deliver a revolution in product standards and a scaling up of the markets for low carbon technology. Such a constructive view of the EU's role is quite consistent with traditional Conservative messages of scepticism about the value of single currencies and constitutions. More effective cooperation on the big issues that cross borders is what Europe is meant to be about. A Conservative government committed to getting Europe to work on climate change would be helping the EU redefine its relevance to a new generation.

**Nick Hurd is a Member of Parliament for Ruislip-Northwood, a Board Member of the Conservative Quality of Life Commission and convenes the Commission's working group on climate change.**

**“we will not take the British people with us unless they feel they are part of a collective international effort”**

# looking after the environment, looking after the economy

## George Osborne MP

Climate change is one of the greatest challenges that we face. Unfortunately, as environmental campaigners have argued, the Labour government has proved to be incapable of rising to this challenge. With emissions higher today than in 1997, and even Tony Blair's own environmental adviser describing his policies as "muddle-headed", it's clear that a new direction is needed.<sup>4</sup>

The Conservative Party is committed to providing that new direction, both by setting out clear leadership on green issues, as well as by developing innovative policies to cut emissions, tackle environmental degradation and promote green growth.

It's clear that action to address climate change is urgently needed. As the Stern report has shown, the rate and scale of 20th century temperature increases is unparalleled in recorded human history. Globally, the ten hottest years ever experienced have all taken place since 1994. The high temperatures we experienced last year, amongst the warmest ever recorded in Britain, could be commonplace within fifty years and unusually cool by the end of the century.

But just as the reality of climate change is now almost universally recognised, so too is the cause:

man-made pollution. Carbon dioxide emissions have increased from 6 billion tonnes a year in 1950 to 24 billion tonnes a year in 2004 – a significant driver of rising temperatures.

The scientific consensus is that this level of pollution is unsustainable. With greenhouse gases now at their highest levels for 650,000 years, studies suggest that we may be approaching a climate change tipping point.

Researchers at Tomsk State and Oxford universities have found that a million square kilometres of permafrost in western Siberia – an area the size of France and Germany combined – has started to melt for the first time in over 10,000 years. If left unchecked, this process could release billions of tonnes of methane into the atmosphere, rapidly accelerating the rate of climate change, with dramatic consequences for life on our planet.

Environmental groups have long been aware that winning the battle against climate change means first of all winning the battle of ideas. Working alongside green activists, the Conservative Party is playing its part. As newspapers revealed recently, before David Cameron became Conservative leader, Mr Brown mentioned the word 'climate' only 11 times – an average of once per year. By contrast, under

pressure from David Cameron, Mr Brown made reference to 'climate' 15 times in his 2006 Budget alone, and has since continued to emphasise his green credentials.

But helping to push environmental issues up the political agenda isn't enough. We are also committed to taking on those who seek to undermine the case for green policies. Some of the most vocal opponents of environmental action are those who claim that tackling climate change will inevitably damage the economy. As one commentator recently claimed, environmental policies could have an economic effect that is "worse than a recession."<sup>5</sup>

This view is deeply misguided. Here are three reasons why.

First, unchecked climate change could have a massive negative economic impact. As the Stern report has shown, the extreme weather conditions caused by global warming could cost the UK economy billions of pounds over the course of this century.

The Thames barrier, originally planned to be raised once every six years, is now being raised six times a year. If one flood breaks through, it could cost London upwards of £30 billion – a cost which is indeed "worse than a recession".

Of course, it's not just Britain that will be affected. The economic effects of climate change will reach far beyond our shores, affecting some of the most vulnerable people in the world. The incidence of

drought has doubled over the past 30 years, and the changing climate is predicted to reduce African gross domestic product by 10 per cent in the years ahead.

Climate change may also alter the patterns of the Indian monsoon, which could have a huge impact on the lives of hundreds of millions of people in South-East Asia. Weak monsoons, for example, could lead to poor harvests and food shortages among the rural population of India. Heavier-than-usual monsoon downpours also have devastating consequences, as shown by the flooding in Mumbai last year, when more than 500 people perished.

**“Some of the most vocal opponents of environmental action are those that claim that tackling climate change will inevitably damage the economy....This view is deeply misguided”**

Second, using energy efficiently doesn't just have an environmental benefit; it can also reduce energy bills at a time of higher oil prices. As smart companies all over the world are recognising, this means that investing in energy efficiency can help boost profitability.

The CEO of Walmart recently noted that improving the fuel efficiency of the company's distribution vehicles by just one mile per gallon would save over \$50 million a year – a useful advantage in a competitive market.

Similarly, BT has introduced energy saving and energy efficiency programmes that have reduced its carbon dioxide emissions by 60 per cent from 1991 levels. Not only has this been good for the environment, it's been good for the bottom line too: BT estimates that it has resulted in energy savings of over £100 million.

**“the global market for new environmental technologies represents an important opportunity for the UK economy”**

These benefits are not confined to large businesses. Research by Envirowise estimates that UK businesses could increase profits by as much as £1,000 per employee if their waste was eliminated at source, rather than being dealt with through disposal or recycling.

The third economic argument for green policies is that the global market for new environmental technologies represents an important opportunity for the UK economy. This market is expected to be worth

trillions of pounds over the years ahead and could be a significant source of new jobs and revenues.

General Electric, one of the largest companies in the world, is just one of many that have benefited from this trend. Its revenues from environmentally friendly technology, such as pollution controls and wind power generators, were over \$10 billion in 2005, up from \$6.2 billion in 2004 – with orders nearly doubling to \$17 billion.

So, rather than green policies stifling economic growth, it's clear that the converse is true: a strong economy can go hand in hand with environmentalism.

Unfortunately, Gordon Brown has been all too slow to realise this. As a result, Britain is falling far behind other countries when it comes to taking advantage of the vast new green technologies market.

It is Japanese and American companies, not British ones, that are leading the world in the field of fuel cells. British firms are also falling behind German and Swedish companies in the development and sale of wind turbine technologies.

In total, UK firms have less than a five per cent share of the global market for green goods and services – less than France, Germany, Japan and the United States. This means that Britain is missing out on crucial jobs, investment and revenues and, of course, it also means that emissions are higher than they should be.

So promoting green growth is at the heart of our environmental and economic agenda. However, we understand that achieving this will not be easy and will require a careful combination of policies and methods. The Conservative Party's Quality of Life policy group is developing detailed policies in the run-up to the next general election, but three key elements of our environmental agenda are clear.

**“UK firms have less than a five per cent share of the global market for green goods and services – less than France, Germany, Japan and the United States”**

First, there needs to be a long-term framework for tackling climate change. Labour's inconclusive energy reviews and failure to provide a stable regulatory system have deterred businesses from investing in new environmental technologies because they are unable to calculate whether the investment is viable. This has proved to be bad

for the environment and bad for the British economy.

That is why the Conservative Party is committed to introducing a robust Climate Change Bill that puts our long term carbon reduction targets into the statute book. Unlike the Labour government, we believe that progress towards these targets should be assessed by an independent body, which should also provide binding year-on-year rate of change targets in order to ensure that progress is being made.

Second, much more needs to be done to promote international cooperation on environmental issues. After all, climate change does not recognise national boundaries or halt at border checkpoints. Effective action on climate change requires countries working together, for instance, by agreeing common goals and sharing environmental technologies.

The Conservative Party is committed to international cooperation on climate change. Our Interim Energy Review, published last summer, set out the long-term goal of creating a global market in tradable carbon permits by building on the European Union's Emissions Trading Scheme. This approach will involve the auction of emission certificates and the creation of a transparent diminishing cap on the number of certificates available. As emissions trading schemes across the world have shown, the interaction between these mechanisms can act as a powerful driver for lower emissions and technological innovation.

Third, the tax system needs to be rebalanced so that it properly takes into account the environmental cost of pollution. As David Cameron has said, we must not be afraid of using the tax system and market

mechanisms to encourage investment in, and take up of, clean new technologies that will create new markets and reduce our impact on the planet.

In practice, this means rebalancing the tax system away from investment and income, and towards pollution and emissions; higher taxes on things we all want to discourage enabling lower taxes on things we want to encourage.

Unfortunately, Gordon Brown has done precisely the opposite. Since 1997, the proportion of government revenue raised by

environmental taxes has fallen from 7.7 per cent to 6.2 per cent, while business investment has fallen to the lowest levels ever recorded. As Friends of the Earth recently commented: "For 10 years, Gordon Brown has failed to provide a green budget."<sup>6</sup>

We need to do better. That is why David Cameron and I have launched a Conservative Party consultation document on the taxation of aviation. The government's own figures show that even according to the 'best case' scenario, aviation will account for 24 per cent of the UK's carbon emissions by 2050.

Those who argue that we must stop flying altogether are wrong. But we will be unable to meet our national and international targets for reducing greenhouse gas emissions unless we reduce the rapid predicted future growth of aircraft emissions and tackle dirty engines.

**“we must not be afraid of using the tax system and market mechanisms to encourage investment in, and take up of, clean new technologies”**

**“promoting green growth is at the heart of our environmental and economic agenda”**

Any solution will require a combination of international cooperation and national action. The focus of this consultation is what can be done at the national level. In particular, the current system of aviation taxation in the UK is fundamentally flawed – air passenger duty (APD) is not directly linked to carbon emissions and provides no incentives for airlines to use more fuel-efficient aircraft. Even the Government admits that it is a “blunt instrument”.<sup>7</sup> Our consultation asks for submissions in response to three main policy ideas:

- charging fuel duty and/or VAT on domestic flights
- replacing APD with a per-flight tax based more closely on actual carbon emissions
- introducing a ‘Green Air Miles Allowance’ so that people who fly more frequently pay tax at a higher rate

“this is our direction of travel: encouraging green growth and environmental protection through international cooperation, long-term targets and effective market mechanisms”

As with all environmental taxes, any new aviation taxes that we propose will be replacement taxes, with any extra revenues offset by equivalent reductions in other forms of taxation.

We are pleased that the proposals have attracted widespread cross party

support, for instance from Tony Blair’s former head of policy, Matthew Taylor, who described them as a “Fantastic Policy...the right policy...a progressive policy.”<sup>8</sup> If only Gordon Brown was similarly committed to taking substantive action.

As well as reducing taxes on investment and income, and increasing taxes on pollution, it will also be necessary to replace Gordon Brown’s flawed Climate Change Levy.

As David Miliband’s special adviser has said, the Climate Change Levy isn’t fit for purpose. The key problem is that the rates paid by businesses on their energy use do not reflect the carbon emissions from that energy. Instead of taxing businesses according to the amount of carbon they emit, it’s simply a tax on the energy consumed by business. As the Royal Commission on Environmental Pollution has said, this means that the Climate Change Levy is a “blunt instrument” that is “not effective in reducing carbon dioxide emissions.”<sup>9</sup> And as experts have pointed out, coal use actually increased following the introduction of the Levy – further evidence that a replacement is urgently required.

That is why we have published a consultation paper on a new Carbon Charge. Unlike the Climate Change Levy, this Carbon Charge would distinguish between high and low carbon production of energy, and so encourage companies to switch to cleaner energy sources. It is also designed to be fiscally neutral, meaning that it will not result in a higher tax burden for British businesses.

So this is our direction of travel: encouraging green growth and environmental protection through international cooperation, long-term targets and effective market mechanisms.

We understand that tackling climate change won’t be easy – but we also recognise that although the challenge ahead is great, the stakes are even greater.

“The options are stark: we can promote economic prosperity whilst also acting as responsible stewards of our planet, or we can court economic and environmental ruin”

When Theodore Roosevelt said these words one hundred years ago, he captured the challenge facing our generation today. The options are stark: we can promote economic prosperity whilst also acting as responsible stewards of our planet, or we can court economic and environmental ruin.

We are committed to meeting this challenge. Future generations will not forgive us if we fail.

**George Osborne is a Member of Parliament for Tatton and Shadow Chancellor of the Exchequer.**

## the greening of the Tory party: rhetoric or reality?

### Charles Secrett

In a matter of months during 2006, David Cameron managed something that no previous opposition leader (or party) has succeeded in doing in decades – he has thrown the government continuously on the defensive about its environmental record and elevated climate change to mainstream parliamentary politics.

There must be much gnashing of teeth and tearing of hair amongst Liberal Democrat supporters and their ‘greenest’ MPs, such as Matthew Taylor, Tom Brake and the indefatigable Norman Baker, who has long waged an almost one-man campaign in parliament to make this break-through. After all, the Lib-Dems are no ‘Johnny-come-lately’ to the environmental cause, having had by far the greenest policies and manifestos of the three major parties for the past 15 years. The trouble is that, as an opposition party, they have failed to make political and parliamentary capital of this distinctive advantage – and for that Paddy Ashdown and, especially, Charles Kennedy and his campaign strategists should hang their heads in shame.

One of New Labour’s weakest and most exposed flanks has been their feeble environmental record, particularly given their failure to deliver on clear-cut, unambiguous manifesto promises made in 1997: “We will put concern for the environment at the heart of policy-making, so that it is not an add-on extra, but informs the whole of government, from

housing and energy policy through to global warming and international agreements.”<sup>10</sup> But like their equally vaunted ‘ethical foreign policy’ and guaranteed 20 per cent cut in carbon dioxide emissions on 1990 levels by 2010, this welcome green mandate quickly withered once in government.

In addition, the Tories were cast into the political wilderness by the 1997 election - with their deep unpopularity confirmed in 2001, and again in 2005 – and the position of Her Majesty’s Official Opposition was there for the taking. But it looks as if the Liberal Democrats have blown their chance to fill the vacuum, and must watch from the sidelines as Cameron wraps himself and his resurgent party in their green policy clothes. This in itself is a Cameron coup.

Through media-savvy events like his well-publicised trip to the Arctic, and politically significant decisions like his backing of statutory targets to reduce carbon dioxide emissions, Cameron has forced the cabinet to play catch-up. New Labour is now bringing forward its own Climate Change Bill, after years of stalling, and David Miliband, as secretary of state for the environment, is trying to gain the initiative by

publicising a host of suddenly revealed New Labour proposals: from promising all new homes to be zero-carbon rated by 2016 to introducing personal carbon allowances for every citizen and the types of substantive eco-tax reform advocated in this pamphlet by Cameron, Hurd and Osborne.

Of course, David Cameron has had a lot of outside help – not least from the 130,000 constituents mobilised by Friends of the Earth’s (FoE) Big Ask campaign, who lobbied MPs of all parties to back mandatory carbon emission cuts; as well as the stream of authoritative scientific evidence and constant media coverage of looming climate change and sea-level rises.

The media has always prominently covered green issues, and pressure groups like FoE and the Association for the Conservation of Energy have long been successful in drafting innovative green bills and building sufficient constituency pressure to see them enacted as law, even in the face of government

blocking tactics. To name just three of many, The Road Traffic Reduction Act (1997), The Warm Homes and Energy Conservation Act (2000), and Parts III and IV of the Countryside and Rights of Way Act (2000), covering habitat and wildlife reserve protection, were all achieved in this way.

But this is the first time that the environmental agenda has been elevated

**“ this is the first time that the environmental agenda has been elevated from a second-rate parliamentary concern to a first-rank priority. And for that, Cameron deserves real praise”**

from a second-rate parliamentary concern to a first-rank priority. And for that, Cameron deserves real praise.

Notwithstanding the inequities of Britain’s simple majority voting system, which is as effective at protecting the two big parties from successful electoral (though not political) challenges by the Liberal Democrats and the Green Party as the lack of money is in preventing every other football club from breaking the stranglehold of the ‘Big Four’ on the Premiership, it is surprising that the Conservative Party has taken so long to treat environmental issues seriously.

Since the late 1980s, if not earlier, a majority of citizens and scientists have repeatedly registered their concerns about accelerating habitat destruction, rapidly diminishing wild species populations, growing mountains of waste and pollution threats of all types, as well as the undeniable evidence of the economic and social harm that trails in their wake. The votes seemed to be there for the taking by whichever party stepped up to the plate. Instead, every now and again over the past 20 years, senior Conservative and Labour politicians (most notably Margaret Thatcher and Tony Blair) pop up to reassure us that something must and will be done... before business as usual resumes.

So the question we have to ask is: is the Cameron inspired Tory-green revolution for real or another false dawn?

The short – but not very interesting – answer is that it is too early to say. The Conservative policy groups

**“ is the Cameron inspired Tory-green revolution for real or another false dawn?”**

are still beavering away, but have not reported. The Quality of Life Commission (a people friendly term which covers the awkward polysyllabic agenda of sustainable development, biodiversity protection, localisation et al) is led by two prominent green-blues with impressive track-records: John Gummer MP, one of the three best environment secretaries of state this country has had, and Zac Goldsmith, campaigning editor of the *Ecologist*, one of the three best green magazines available.

We'll have to wait and see what ends up in the general election manifesto before knowing where the Conservatives stand - and whether the Quality of Life Commission's conclusions on energy, transport, economic management, taxation, public spend and globalisation mesh with the other lead groups in these critical policy areas. Unless the Conservative manifesto embeds carbon dioxide reduction and other environmental priorities as responsibilities for all the main Whitehall departments to deliver together, and convincingly demonstrates how they intend to use regulatory and fiscal policy to deliver significant carbon emission cuts, clean fuels and power, fewer flights, minimal waste and maximum resource-use efficiency throughout the economy, then we will have to conclude that Britain's currently unsustainable development path will continue much as before.

And then, after the manifesto is published, there is also the vexatious conflict between what opposition parties say and what they do once in power. It is a lot easier to promise from the backbenches than deliver in government. Remember another

famous line from New Labour's 1997 manifesto? "The Conservative's broken promises taint all politics. That is why we have made it our guiding rule not to promise what we cannot deliver; and to deliver what we promise."<sup>11</sup> Enough said.

Cameron's Turquoise Tories are not Blair's New Labour, so things may be different next time round, should the Conservatives win the next election. As we try to gauge how meaningful the Conservative green revolution is – and from the leadership at least, it seems sincere – my point is that you can never really tell what a politician or political party is going to do until he, she or it grabs the reins of power.

### Looking back

So, we should look at what the Conservatives said and did on the environment when they were previously in charge, for clues as to whether Cameron will succeed in greening the Conservatives and to get a clearer picture of the obstacles he has to overcome.

As well as modernising the Conservative party, Cameron's other significant challenge is to hold its various wings together – and none may be more inimical to the green agenda than the 30 per cent solid minority for whom Mrs Thatcher and her brand of modern Conservatism is still the be-all-and-end-all of political achievement. Thatcher's philosophy can be summed up crudely in nine words: deregulation, privatisation, individuality, national sovereignty, more market, less state. And, all too often, it was putting this ideology into practice that prevented her

**“Cameron's  
Turquoise Tories  
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administrations from delivering on their green manifesto pledges, as some typical examples illustrate. The 1979 Conservative manifesto stated: “The quality of our environment is a vital concern to all of us. The last Conservative government had a proud record of achievement in reducing pollution, and protecting our heritage and countryside. We shall continue to give these issues a proper priority. Subject to the availability of resources, we shall pay particular attention to the improvement and restoration of derelict land, the disposal and recycling of dangerous and other wastes, and reducing pollution of our rivers and canals. We attach particular importance to measures to reduce fuel consumption by improving insulation.”<sup>12</sup>

Sadly, the reality of delivery was somewhat different. The 1981 Wildlife and Countryside Act was intended to protect Britain’s most important (as well as typical) wildlife habitats and species and, in particular, our best wildlife reserves – the national network of sites of special scientific interest (SSSIs). The act was based on the ‘voluntary approach’ where, instead of prohibiting damaging land-use operations, land-owners were compensated on the basis of the profits foregone from not ‘improving’ the agricultural or other development value of the reserves. It didn’t work. In 1984-85, 255 SSSIs were seriously damaged (a typical annual figure) by inimical land-uses, mostly agricultural and forestry. By 1989, little had improved, with 228 SSSIs suffering the same fate in that year.

Throughout the 1980s, river pollution incidents became ever more frequent. Government figures for 1988 show a 15 per cent rise on 1987, with the total – 26,926 cases – more than double the 1980 figure.

Every year between 1980 and 1988, Britain dumped some eight million tonnes of sewage sludge, containing large amounts of poisonous heavy metals like lead, cadmium and mercury, into the North Sea. We were the only marine-border state to do so. In 1989, a joint study by the *Observer* and FoE demonstrated that millions of people’s drinking water breached European statutory limits for contaminants, including lead, aluminium, nitrates and pesticides. Until the European Economic Community (EEC) forced the government to change, pesticide approval was controlled solely by a voluntary agreement between pesticide manufacturers and the Ministry of Agriculture. Even when weak control regulations were brought in, the government had to admit in 1989 that over 100 pesticides were still being approved for sale based only on rudimentary safety tests carried out in or before 1965.

Again in 1989, the Department of the Environment (DoE) admitted to the Commons Environment Committee that only 23 of 79 waste authorities had completed the statutory waste disposal plans required by the 1974 Control of Pollution Act. The first report of the Hazardous Waste Inspectorate in 1985 declared that “all too many major hazardous waste landfill sites ... exude an atmosphere of total dereliction and decay, are under-equipped, undermanned and operate with a notable lack of professionalism.”<sup>13</sup> Perhaps even more tellingly, the first annual report of Her Majesty’s Inspectorate of Pollution in 1987/88 confirmed that there were still no reliable statistics on the country’s waste generation and disposal. The new inspectorates were welcome first steps – but not much good if the state wouldn’t provide the money for clean-up or ensure that private sector polluters paid instead.

As for reducing fuel use by improving insulation, or other energy efficiency measures, the government's attitude throughout the 1980s was summed up by a Department of Energy comment on a global warming report from the Commons Energy Committee in November 1989: "The Government believes that since energy efficiency is above all a matter for decisions and actions by individuals ... then the best way forward is through the operation of the market, lubricated by information and advice." The trouble is that it wasn't – and millions of low-income families and other vulnerable people suffered the debilitating effects of fuel poverty and died prematurely in their thousands during cold winters, as carbon dioxide emissions rose.

Similar promises in the 1983 and 1987 manifestos also foundered on the rocks of rigid principle. Deregulation of the bus industry outside of London led to significantly reduced services, particularly in rural areas, declining passenger numbers and cheap, poorly maintained vehicles belching out diesel fumes and cancerous particulates. Local councils were prohibited from spending central government grants on subsidising public transport - and roads were definitely the order of the day over rail. In 1985, Nicholas Ridley, then transport secretary, proclaimed that government spending on roads had risen by 30 per cent in real terms since 1979; in 1989, Paul Channon, his successor, published 'Roads to Prosperity', which promised to double roads spending with a ten year, £12 billion programme. Mrs Thatcher was notoriously proud of Britain's "great car economy", apparently not understanding (or caring about?) the enormous health and environmental costs of piling ever more polluting

vehicles onto an expanding road network.

Privatisation of the water and energy sectors pushed environmental necessities further down the ladder of priorities. During the 1980s, discharge consents were relaxed for 1,800 of Britain's 6,600 sewage works. In 1989, in the run-up to water privatisation, consents for nearly 1,000 more works were relaxed – otherwise the government would be selling off illegal sewage plant and the companies would have faced private prosecutions under the 1974 Control of Pollution Act. The situation had grown so bad because of Whitehall enforced financial constraints throughout the 1980s, which prevented the public water authorities from spending on essential maintenance and modernisation.

The regulatory framework for the privatised energy industry, as set out in the 1989 Electricity Act, was even more barmy. As the act went through the Commons, the government rejected all amendments promoting energy efficiency and greatly watered down the only successful one from the rebellious Lords. Not only did the act fail to promote – or at least set a level playing field - for renewable power, it positively encouraged the industry (as had happened with the sell-off of British Gas in 1987) to make its profits by persuading companies and householders to use as much electricity as possible. Discounts of up to 25 per cent were quickly offered to large-scale users (factories and mega-stores) whose consumption exceeded 1MW annually. Similar incentives were available to gas users who exceeded 25,000 therms per year.

Finally, there was Europe. Most of the UK's faltering environmental progress in the 1980s was due to EEC laws. But the government went down fighting in its

considerable attempts to keep at bay the malign influence of ‘Johnny-foreigner’s’ perverse desire to protect and clean up the natural environment and improve the quality of life for all. To take just a few brief examples from many: the DoE vetoed the Environmental Impact Assessment Directive for five years, even though it merely sought to formalise existing best practice. Britain blocked implementation of the Emissions from Large Combustion Plant Directive for four years, even though we were the largest polluter of sulphur dioxide, one of the principle ingredients of acid rain. The government designated just 27 beaches (out of hundreds) under the Bathing Water Directive, and it authorised a highly selective and inadequate implementation of the Drinking Water Directive. The list goes on. Even when European policies were implemented, the DoE overwhelmingly preferred to use administrative mechanisms rather than primary or secondary legislation. By the mid-1980s, it was not surprising that Britain had earned the unenviable reputation as the ‘dirty man of Europe’.

### Being a green leader

The continuing influence of Mrs Thatcher’s considerable legacy can be seen not only in New Labour’s adoption of a similar set of guiding principles in government (albeit with a lot more government spend on health and education) but also in the performance of many Conservative run authorities today. At the local level, as well as in the unreconstructed rump of his parliamentary party, David Cameron faces some of his biggest challenges to successfully and convincingly greening his party

**“ Most of the UK’s faltering environmental progress in the 1980s was due to EEC laws”**

at all levels. Just last year, Tory backbenchers ignored his lead by talking out the private member’s Climate Change and Sustainable Energy Bill.

As Chris Huhne, the current Liberal Democrat environment spokesman, has recently catalogued in *The Guardian*, local Conservative administrations have a long way to go to match their leader’s words with appropriate action. For example, the Scottish Conservative 2007 election manifesto was awarded 0/10 for its green credentials by an independent NGO adjudicator. The Conservative’s 2004 European manifesto scored the lowest of all the parties when judged by environmental yardsticks. In Cameron’s own constituency, West Oxfordshire council is cutting its recycling budget, even though it has one of the poorest records of any in the country. There were fewer Conservative councils in a recent *Guardian* survey of good local authority green performance than any of the other main parties. London Assembly and (west London) Richmond Council Conservatives oppose higher parking charges for gas-guzzlers. Conservative-led Swale Borough Council is blocking the ‘London Array’ (strongly endorsed by Ken Livingstone as The Mayor of London), which will be the world’s largest wind farm. The farm itself will be 12 miles off shore, but Swale Borough Council is refusing permission for an essential electricity sub-station in their territory, with Tory councilors comparing their actions to “defending the Kent coast from Nazi invasion.”<sup>14</sup> Recently, in Scotland, Caroline Spelman, the Tory

**“ Tory administrations locally have a long way to go to match their leader’s words with appropriate action”**

communities and local government spokeswoman, called for a moratorium on all wind farms. Despite her government's appalling domestic environmental performance, Margaret Thatcher, along with Mikhael Gorbachev, was the first world leader to respond to the global environmental crisis that first unfolded in the late 1980s.

Then, as now, newspapers, radio and TV fell over themselves in their scramble to broadcast the eco-disasters that the scientific community and green NGOs had been documenting and warning about for years. Climate change also first hit the headlines back then. 1988 was the fifth of (the then) 'five warmest years on record': all occurring during the 1980s. As severe droughts and forest fires swarmed across the United States and China, and floods decimated Bangladesh, James Hansen, of NASA's Goddard Institute for Space Studies, made global warming world news when he told a Senate Committee, "The greenhouse effect has been detected, and it is changing our climate now."<sup>15</sup>

But, like Tony Blair over the past decade, Mrs Thatcher made her international reputation as a 'green leader' through prominent speeches and not decisive action. Three seemed especially important at the time. Like Blair, her rhetoric was impressive. On 27 September 1988, she told the Royal Society: "We might have begun a massive experiment with the system of this planet itself", and went on to assert that "the health of our economy and the health of our environment are totally dependent on

**"...like Tony Blair over the past decade, Mrs Thatcher made her international reputation as a 'green leader' through prominent speeches and not decisive action"**

each other." In October, she continued the theme in her speech to the Conservative annual party conference by declaring that Conservatives were "not merely friends of the earth, but its guardians and trustees for generations to come." And a year later, on 8 November, she addressed the UN General Assembly, declaring that it was "mankind and his activities which are changing the environment of our planet in damaging and dangerous ways ... the evidence is there ... the damage is being done." and concluded that "the repair work needs to start without delay."

Then, as now with Cameron's parliamentary breakthrough, the environmental movement in Britain thought their time had come, and that action would be taken to resolve the crisis before it was too late.

But it was not to be. Then, as now, the reality of government in power gave the lie to the fine words. Blair must be given credit for making, on average, one really big speech on the environmental crisis annually since his first major effort in the run-up to the 1997 election. Today, senior politicians, officials and journalists in many other countries credit Blair for keeping climate change on the international political agenda.

But if Blair wins these plaudits then Chancellor Brown – in effect the principal determiner of what actually got done by New Labour in government – must take the blame for ensuring that nothing meaningful has been achieved to reduce carbon dioxide and other greenhouse gas emissions through

considered policy (as opposed to opportunistically realised carbon dioxide reductions due to the decline of British manufacturing industries and the ‘dash-for-gas’). There have been no effective tax incentives for firms and householders to make and use renewables and clean fuels, no carbon pricing, no regulatory drivers for energy and fuel efficiency in buildings, machinery and appliances, no green procurement, no VAT reduction on energy-efficient goods and materials, no polluter-pays penalties. Or at least none worth the name. Sure, there have been token gestures – the climate levy, marginal changes to fuel duty and road tax, slightly reduced differentials for gas-based fuels, derisory increases in air passenger duty, small allocations for renewable energy – but nothing that persuades business and consumers to change behaviour significantly.

As long as it is cheap, legal and convenient to waste carbon dioxide and natural resources, then that is what the majority will continue to do. Above all else, the Treasury has to change for Britain to go green.

It is not that the solutions are absent. Britain, like every other wealthy country, has the money, technical expertise, industrial infrastructure, public support and knowledge to cut carbon emissions to the levels determined by best science: up to 60 per cent reductions on 1990 levels by 2025 and 90 per cent by 2050. And we are capable of doing so in ways that will invigorate productivity and wealth creation through innovation, greatly enhanced efficiency and

increased competitiveness, as Britain moves toward the low carbon, low waste economy required for this century. It can be done, as Ken Livingstone has shown with his recently published London Climate Change Action Plan.

The only thing missing from the policy cocktail is the political will to make the transition, and to use the tools of government (regulation, fiscal policy and leadership by doing, not talking) to set Britain on a sustainable trajectory. That is the ultimate challenge that Mr Cameron faces if he becomes prime minister – to move on from the Thatcherite approach to government and whip the Treasury into line – and it will be the truest test of his green credentials.

**Charles Secrett is Environment Advisor to The London Mayor’s Office and Visit London, and previously Director of Friends of the Earth (1993-2003).**

**“the ultimate challenge that Mr Cameron faces if he becomes prime minister is to move on from the Thatcherite approach to government and whip the Treasury into line”**

## accidents and achievements: the Conservative environmental record

**Tom Burke**

Finding myself working for a Conservative government was one of the more unexpected turns in the thirty five years I have spent as an environmentalist. This was not a predictable fate for a former member of the Labour Party's national policy committees on both energy and the environment. But it did give me a matchless opportunity to observe close up how the environment was dealt with by government. It also confirmed the enduring truth of a remark by the historian, Macaulay, who warned us to "Remember that argument is constructed in one way and government in entirely another."

**“Britain’s membership of the EU has been, and remains, the most significant political decision ever taken to protect our environment”**

overlooked is their ability to create – and sometimes destroy – institutions. They can develop policies that set out their environmental goals and the paths they intend to follow to achieve them. These policies may or may not be derived from general ideological positions that define their broad approach to

There are a limited number of tools available to government to achieve its environmental objectives. The most important of these is cash. Governments can spend money to achieve their goals. They can regulate to control unacceptable behaviours. They can appoint people to public offices of one kind or another. Often

tackling the problems in question. They can also simply shout at people – exhorting them to do better. Finally, though not properly a tool of government, real progress can be made by accident.

The importance of this latter point should not be underestimated. When Ted Heath led Britain into the then Common Market in 1973 improving the environment was far from the top of his reasons for doing so. Yet, arguably, Britain's membership of the European Union (EU) has been, and remains, the most significant political decision ever taken to protect our environment. This will become increasingly apparent as Gordon Brown continues to vandalise the planning system. The fact that Special Protection Areas and Special Areas of Conservation are defined by European legislation and protected from whimsical repeal by the European Court of Justice is a powerful barrier to expedient policies. Ironically, it was a Conservative environment secretary, Michael Howard, who discovered, empirically and expensively, just how powerful a defence this could be. He granted planning permission to a development on a protected site and the Royal Society for the Protection of Birds went to the Court and won.

Mrs Thatcher's abolition of the Central Electricity Generating Board (CEGB) and defeat of Arthur Scargill during the miner's strike are more examples

of the power of political accidents to protect the environment. It was certainly not her intention in privatising the electricity industry to kill Britain's nuclear industry. Yet, that is what she accomplished. Investors took one look at the CEGB's books and, much more loudly and effectively than environmentalists, said 'Nuclear Power, No Thanks'. And they continue to hold this view, despite the current government's desperate search for a way of covertly bribing them into taking the risk. Mrs Thatcher's attack on the miners was purely political in motivation but one of its wholly unintended consequences was to reduce Britain's greenhouse gas emissions way beyond what they would otherwise have been.

If Conservative political accidents have accomplished much for the environment, the same cannot be said for their willingness to spend cash. In fact, an area of surprising, if tacit, agreement between all of Britain's political parties, has been the belief that a high quality environment can somehow be achieved without much public expenditure. In the days when the very rapid and, for many, painful re-structuring of Britain's economy was bringing massive windfall benefits in terms of improving air and water quality, this may have had some justification. Those days are, however, long gone.

Total public spending on the environment has barely increased in real terms under both Conservative and Labour governments. We currently spend about £8.5 billion a year on environmental protection. This compares rather badly with the £89.4 billion a year that we spend on health and the £67.9 billion that we spend on education.

The Conservatives have been luckier than Labour though. During their long period of dominance in the eighties and nineties they were dealing with the easier politics of the environment. These could be managed largely by regulation. The harder environmental politics of the 21st Century, as we struggle to maintain the productivity of the ecological foundations of the economy, will require an as yet undiscovered willingness to make large public investments. For example, the only real test of a government's climate change policy is to ask how much, on what, by when. When we see Conservative and Labour politicians competing with each other over how much we need to spend on the environment, as they currently compete to out do each other on welfare spending, the environment really will be at the centre of politics.

**“the only real test of a government's climate change policy is to ask how much, on what, by when”**

Public institutions embody, promote and protect values. Policies come and go as governments and times change. Institutions remain. Over time, their mission becomes clearer and their capabilities grow. Conservative environment policy has a good track record of institution building. It was Ted Heath that brought together the Ministry of Transport and the Ministry of Housing and Local Government, whose remit included public works and planning, to create the Department of the Environment (DoE) under Peter Walker in 1970. This endured as an increasingly powerful piece of government machinery until its destruction by Labour in 1997.

Prior to this, environmental policy was in the hands of a small unit, the Central Unit on Environmental Pollution, in the Cabinet Office. Making the DoE a big spending department gave it real political clout and ensured that its leadership was in the hands of a senior politician. Furthermore, by giving it control of planning policy it placed in its hands a powerful and effective tool for managing the environment on a small and very crowded island.

This bore fruit as the environment inched up the political agenda and the DoE became an ever more attractive perch for ambitious politicians and civil servants – both of the current cabinet secretary’s predecessors were permanent secretaries at DoE. It also stands in marked contrast to the current confused, diminished and demoralised arrangements surrounding today’s Department for the Environment Food and Rural Affairs (Defra). It is an unexpected paradox that we now have weaker institutions to manage our environment than we did ten years ago, despite Labour’s much more vocal and consistent commitment to green issues.

The creation of the National Rivers Authority (NRA) was a not quite accidental outcome of water privatisation and another example of how important membership of the EU has been to the environment in Britain. Water privatisation took control of Britain’s freshwaters out of the hands of local authorities, who had taken to exempting themselves from having to comply with water quality regulations that they found overly burdensome. The Conservative government’s original intention however had been to make the newly privatised water companies responsible for the enforcement of pollution controls. To the

Council for the Protection of Rural England this was clearly an attempt to sell the police force to the mafia. Their threat of a judicial review backed by counsel’s opinion that this would be a breach of European legislation was enough to cause a hasty retreat by the DoE.

The NRA, under the leadership of a former Conservative cabinet minister, Lord Crickhowell, went on to become a widely respected and effective protector of the environment. Indeed, so powerful did it become that part of the political motivation for later merging it with the Pollution Inspectorate to create the Environment Agency was to clip its wings. Nevertheless, whatever the motivation, the creation of the Environment Agency established a powerful and independent body that is able to manage a wide range of environmental regulations on air, water and wastes free of short term political interference.

As the environment rose up the political agenda, particularly during the somewhat scary moment in the late eighties when the Green Party in Britain secured 15 per cent of the vote in the European Parliament elections, the temptation to exploit the elision of Conservative and conservation was too great for many Conservative politicians to resist. This was not enough however to save the Nature Conservancy Council (NCC), the body then charged with protecting Britain’s biodiversity, from the wrath of Environment Secretary Nicholas Ridley. Under the chairmanship of William Wilkinson, a former banker, the NCC had become a potent and authoritative champion of nature and a significant thorn in the government’s side. In a deliberate, but ultimately unsuccessful, attempt to weaken its voice,

Ridley discovered a previously unrecognised appetite for devolution and broke the NCC up into four separate bodies in England, Scotland, Wales and Northern Ireland.

When politicians talk among themselves a dominant topic of conversation is who gets what job. Control of local government finance gave the environment secretary considerable clout with constituency party chairmen. This, together with control of the planning system, made it a desirable office for an ambitious politician. Michael Heseltine, Michael Howard and Chris Patten were among the leading Conservative politicians of their generation to hold the post. John Gummer, a former party chairman, held the office for four years and left with his wider political reputation much enhanced when his contemporaries were having theirs diminished. Not all were remembered kindly. Nicholas Ridely remains to this day one of the worst environment secretaries ever and some, like Kenneth Baker, are barely remembered at all.

Profile in the headlines is not always a good measure of progress. John Major is an unlikely candidate for any green political award. Yet, with his support, Britain played a leading role in the run up to the 1992 Earth Summit, even going so far as to provide a \$1 million bail out to the NGO forum that accompanied it. Michael Howard's negotiating skills were central to bringing the United States into

**“The primary tools of environmental management are public spending, regulation and taxation. If you are ideologically disinclined to use any of these tools it is difficult to get beyond piety and exhortation”**

signing the Framework Convention on Climate Change, which was the most important success of the summit. In Europe, John Gummer set out to, and succeeded in, reversing the ‘dirty man of Europe’ label that had been attached to Britain during the previous Labour and Conservative administrations. By the end of the Major years, and unnoticed by the media, Britain had become the leading promoter of the environment globally.

Substantive environment policy has always presented Conservative thinkers with something of a problem. The primary tools of environmental management are public spending, regulation and taxation. If you are ideologically disinclined to use any of these tools it is difficult to get beyond piety and exhortation. This vacuum drove Conservative environmental policy to develop the use of market based economic instruments to achieve environmental goals. These are mostly nothing more than rather inefficient regulations and disguised taxes but they sound more compatible with a business friendly approach.

Mrs Thatcher embodied this unresolved tension in Conservatism; wanting simultaneously to glorify the market and return to Victorian values. She never understood that economic opportunity corrodes social ligatures; that an expanding realm of individual choice leads to a triumph of transactions over relationships. The creative destruction of the market is inherently anarchic. The aspiration to Victorian values reflected a desire for order and

**“The environment poses a deeper and more defining challenge to Cameron’s Conservatives than simply coming up with some popular, headline catching policy prescriptions”**

predictable behaviours wholly at odds with this impulse. The current prime minister’s neo-Thatcherism makes the same error, just as he finds himself driven to ever more draconian and intrusive measures to correct the social consequences.

Dealing with a shared environment requires collective action above all. The economy and its markets, which are its most powerful instruments, rest on ecological foundations. These are the six bio-geophysical systems that provide us with all the goods and services not provided by fossil fuels and non-fossil minerals – croplands, rangelands, forestlands, freshwaters, oceans and the atmosphere. Undermine the productivity of these six systems and you ultimately undermine the productivity of the economy and the ability of markets to deliver.

Meeting this challenge sits oddly with a political philosophy that asserts the imperial authority of individual choice. It is a more comfortable fit with an older strand of Conservatism which recognises, values and seeks to sustain the richer complexity of relationships embedded in culture and tradition. The environment poses a deeper and more defining challenge to Cameron’s Conservatives than simply coming up with some popular, headline catching policy prescriptions.

What the Conservatives did manage to do, for the

first time in Britain, was to set out a comprehensive policy for the environment. The Chris Patten white paper, ‘This Common Inheritance: Britain’s Environmental Strategy’ was the first attempt to bring together both the resource and pollution aspects of the environment into a comprehensive statement of public policy. It is an achievement that ten years of New Labour has not managed to repeat. Michael Heseltine’s creation of the MINIS system of public reporting on the achievement of DoE goals also created a much missed device for monitoring government performance. For the late editor of the Environmental Data Service, Marek Myer, it was a gift that he used relentlessly to expose the gap between rhetoric and reality.

There is much that David Cameron could learn from the track record of his predecessors. Institution building has been a Conservative strength and he could win many friends by promising to restore a proper Department of the Environment with a clear mandate and the tools, especially management of the planning system, to do the job. The lack of any clear statement of the government’s overarching

**“Institution building has been a Conservative strength”**

environmental policy is one of the many reasons why Defra is such a feeble player in Whitehall. A promise to produce an early white paper on the environment is another easy win for Cameron to exploit the vacuum left by Labour.

Restoring Britain’s leading role in Europe will be more difficult for him, as will finding a way to raise and spend the large sums of public money that will be required if we are to meet the 21st Century’s environment problems, especially climate change, with any hope of success.

Euro-scepticism is not readily compatible with environmentalism, but environmental taxation, provided it delivers environmental outcomes, will create opportunities for tax cuts, as well as new spend. Cameron has been right to identify the environment as an issue on which he could win an argument with Labour. So far, he has used this opportunity well. But the proof will be in how he governs, not in how he challenges a weak opposition.

**Tom Burke is the founding Director of E3G, previously Special Advisor to three Conservative secretaries of state for the environment and Director of Green Alliance from 1982 – 91.**

## why beauty matters

### Rt Hon Oliver Letwin MP

A couple of years ago, I gave a speech arguing that politics should take the beauty of our natural and built environment into account. There was much muttering in the political dovecots. “Always knew he was an eccentric...What’s he doing burbling on about beauty?...Can’t he think of some more crunchy issue to talk about?” That, at any rate, was the gist of it.

Disentangling the serious argument from the usual politics, there were, I think, two main lines of attack:

- some people argued, or implied, that beauty doesn’t matter very much – that it’s a luxury item which can’t compete with prosperity or justice or security or climate change or health or education.
- other people argued that, even if beauty did matter as much as these other things, there wasn’t much point in politicians talking about it, because politics couldn’t have any real effect on how beautiful our country is.

“beauty is a significant component of general well-being”

“people argued that even if beauty did matter there wasn’t much point in politicians talking about it, because politics couldn’t have any real effect on how beautiful our country is”

In the intervening two years I have spent quite a lot of time thinking about these two criticisms, and I have come to the conclusion that they are both wrong. But I now recognise that, instead of just making the speech,

I have to make the argument. So here goes.

Why does beauty matter as much as prosperity or justice or security or climate change or health or education? My answer is that beauty is, like all these other things, a significant component of general well-being.

To live surrounded by what one finds ugly is to live a deprived life. At the extreme, sensory deprivation (living without natural light in a blank cell) is a form of torture that is designed to drive the subject mad. But even much less extreme forms of aesthetic deprivation have enormous effects on psychological and spiritual well-being.

A child who is brought up in the aesthetic desolation of some of our urban tower-blocks, a child whose daily landscape does not include the beauty of garden squares or the sunlight coming through leaves in a park, a child who has no access to the grand scenes of the countryside, of the mountains and the lakes, of the cliffs and the sea, is deprived – not in the way in which a child whose parents are living hand to mouth in poverty is deprived, but in a different and important way.

In the modern city, poverty and ugliness of surroundings often go hand in hand. But the ugliness is itself a deprivation, additional to the poverty.

Do people differ in this? Is beauty a more important component of well-being for some people than for others? Yes, of course it is. For some, it is the essence, at the centre of their being; for others, it is merely a component; for others yet, perhaps, it is only of secondary importance. But this is true of every aspect of quality of life. It hardly takes a survey to show that different things matter to different people.

The fact that beauty matters more to some than to others puts it in the same class as prosperity, justice, security, climate change, health and education – each of which also matter more to some than to others. Some people devote their lives to being rich, others have no such inclination. For some, health is a constant preoccupation, others cavalierly disregard their health and compromise their security for the sake of adventure.

“But this is missing the point” say the critics. “The real issue about beauty mattering differently for different people is that, unlike prosperity or security, beauty only matters for the rich who already have the other aspects of quality of life. Just ask people in hard-pressed estates what they care about – and they’ll tell you pretty quickly how much importance they attach to beauty.”

My answer to such critics is that it is intensely patronising to imagine that poor people don’t care about beauty. The people who care about beauty are the people who care about beauty. Some of them are rich and some of them are poor. There is nothing about being poor

that implies lack of aesthetic passion. Indeed, the considerable literature on the effects of designing out crime in social housing shows very clearly that introducing beauty into ugly and decrepit estates has an enormous effect on the social cohesion and well-being of the people living in them.

Surprise, surprise: poor people care about what their surroundings look like, just like rich people.

Of course, it is true that beauty matters less at certain times than at others. If you are being attacked by a man with a knife, security is likely to be uppermost in your mind. Beauty will at that moment seem irrelevant. But this, too, is true of all the components of well-being.

If you are starving, it is food and the means to get it that will be at the forefront of your attention, security at that moment will seem an irrelevance. If you are well fed and secure, but locked in a blank, windowless cell, it is the beauty of sunlight for which you will most long.

**“ Surprise, surprise:  
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people”**

Well-being is kaleidoscopic. Its patterns change with each shake of life. But beauty is one of its most significant elements: a life amidst ugliness is one of the most important forms of deprivation and the search for beauty is one of the great motivations of the human spirit.

“But”, say the politically anaesthetic, “even if we accept your argument that the beauty of our natural and built environment matters as a component of well-being, how can we take seriously your assertion

that politics has an important role to play? Surely, beauty is in the eye of the individual beholder, and there is nothing that politics – which is collective action – can do to bring it about.”

This critique rests on three propositions:

- beauty, being in the eye of the beholder, is not an objective good;
- since beauty is not an objective good, it cannot be realised by collective action; and
- since politics is collective action, it cannot bring about beauty.

I believe that each of these propositions is mistaken in an interesting and important way.

The status of aesthetic judgement is a deep and age-old question. Whether beauty is a matter of subjective taste, or whether aesthetic judgement is (as it at least pretends to be) an assertion that is capable of being true or false, is an issue we can leave to the philosophers. The important point, so far as the political debate is concerned, is that even if aesthetic judgements are merely expressions of subjective taste, they define what are, from the perspective of public policy, objective goods.

The view from Lyme Regis, across Lyme Bay to the Golden Cap, and Portland Bill beyond may be, in some absolute sense, beautiful. Or it may simply be to the taste of a large number of people. But, either way, it has an objectively measurable monetary value. To put it crudely, people will pay for this view.

In the market-place, the objective monetary value attached to aesthetic preference is well understood.

The estate agents understand it, and trade on it. The fashion designers understand it and trade on it. A large part of the economy – from auction houses to historic houses – is founded upon the recognition that people attach value to what they consider beautiful. However subjective the underlying tastes may be, the market translates them in its inevitably crude, but nevertheless powerful way, into real economic forces.

So why, in the public sphere, should we be embarrassed about recognising the value of beauty? When we designate some parts of the country as areas of outstanding natural beauty (AONBs), we are implicitly recognising that it is possible to make a political decision about what is beautiful. Is this an unwarranted imposition of the subjective preference of some committee upon the nation? Would Britain be a better place and government a fairer thing if we refrained from such designations and let the bulldozers tear up the loveliest of Britain’s countryside? Surely not.

Go back to the view and its monetary value. The places that are designated as AONBs would attract a premium in the market, because they are widely perceived as especially beautiful. The law, in according them a special designation, is merely recognising that objective fact about aesthetic preferences. Public policy is anticipating market fact, and translating it through regulation into public good.

“But”, say the critics, “even if this works for the preservation of beauty, it will never work for the creation of beauty. You may be able to determine what existing natural scenery and artefacts people

attach a high value to, and hence find an objective reference point for public policy decisions about preservation, but you will never find a similar objective reference point when it comes to creating what doesn't yet exist. So you can't take account of the value of creating beauty in politics, even if you can take account of the value of preserving beauty."

This argument, too, is flawed.

Of course, I do not suggest that politicians should establish a cultural health and beauty executive for the purpose of making Britain more beautiful. That would be an example of crude statism, all too likely to produce the opposite of its intended effect. It is not easy to find a Lorenzo de Medici to head such an executive, and it is not easy to see how such a Lorenzo would operate successfully in a modern democracy.

But it is giving up too easily to conclude that, because crude statism won't work, a modern liberal democracy has no means of making its towns, cities and suburbs more beautiful. There are at least two complementary and mutually reinforcing approaches that we can take. The first consists of the state taking account of beauty in its own activities. The second consists of promoting the consciousness of beauty as a social responsibility.

The state itself has a direct role in creating beauty and ugliness. Public housing, public buildings and other public construction are classic examples. When taxpayers' money is used for construction, there are two possible attitudes: build what is cheap, serviceable and durable without undue regard to beauty or the environment. Or, build what is

beautiful and eco-friendly and, within that constraint, make it as cheap, serviceable and durable as possible. Who can honestly claim that it has always been the second attitude rather than the first which has guided decisions about public sector construction?

If it becomes predominant in public sector construction, will the second attitude (the beauty-first attitude), inevitably produce what is later widely regarded as beautiful? No. The prize for architectural merit awarded to the towers built by the Department of the Environment in Marsham Street in London some decades ago – and now mercifully demolished – is a testament to the difficulty of making ex ante aesthetic judgements. But if the effort is at least made, through the adoption of the beauty-first principle, there is every reason to suppose that the average aesthetic quality of public construction (which continues to form a significant proportion of total construction) will rise. And if the test applied by those responsible for the public construction is the objective test of aesthetic preference (will people pay more to live near, or in what is being designed?), the likelihood of an improvement in peoples' experienced quality of life will rise and the danger of aesthetic catastrophe engendered by the establishment fad of the moment will diminish.

But building the beauty-first principle into public construction is only half the battle. Building the creation of beauty into the idea of social responsibility is at least as important.

**“The state itself has a direct role in creating beauty and ugliness”**

“Aha”, I can hear the critic saying, “so you don’t believe your own argument about the objective monetary value of beauty. If you did, you would think that there was no need to talk about social responsibility in this context – the market would do the trick all by itself.” But the critic is missing a vital distinction between two things: internal rate of return and the externalities.

Just as those commissioning public sector construction projects have choices to make about whether to take account of beauty and ecology or merely practicality and cost, so a private constructor has to make a judgement of profitability. Increasing the beauty of any project will tend to increase revenue, but it may also increase cost. Who is to say whether, in a given case, the profit is to be maximised by the cheap and ugly or by the more

expensive and more beautiful? Even if the choice is marginal, it may go in favour of the cheaper and uglier.

And, once the fashion has been set, a more imaginative solution (as cheap, but more beautiful and hence actually more profitable) may not even be considered at corporate headquarters – ‘not the way we do things here’.

The underlying point is that the impacts on the constructor’s profitability and on the prospective

purchaser’s desire to purchase are not the only effects of the construction. It also has a social effect – its beauty or ugliness will impinge on the rest of us. And, although the social effect is objectively measurable (by discovering how much, for example,

the neighbours would pay to have the beautiful version rather than the ugly version next to them), this measurement does not enter the calculations of the constructor. The constructor’s business is based on the internal rate of return on his investment, not on the consequences his investment has for parties external to the transaction. From the point of view of society as a whole, there is a market failure.

What is needed is some means of bringing home to the constructor his social responsibility to make his constructions not only eco-friendly but also beautiful. It is, in other words, the business of government to provide mechanisms that will correct the market failure by ensuring that the social responsibility to build beautifully is priced into private profit calculation – and thereby progressively to promote cultural change that makes it gradually fashionable to build beautifully rather than merely practically.

There is, in short, a solid argument for supposing that the beauty of our natural and built environment:

1. matters;
2. has an objectively measurable effect on well-being;
3. can be affected by government preserving beauty where it exists;
4. can be affected by public procurement policy; and
5. can be affected by government tackling market failure to recognise externalities and promoting the consciousness of beauty as a social responsibility.

If that isn’t crunchy, what is?

**Oliver Letwin is a Member of Parliament for West Dorset and Chair of the Conservative Party Policy Review.**

**“What is needed is some means of bringing home to the constructor his social responsibility to make his constructions not only eco-friendly but also beautiful”**

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