When it comes to the notion of a sustainable low carbon economy, governments around the world may like the concept but are either reluctant or incapable of developing the means to make it reality, says Jonathon Porritt, founder director of Forum for the Future. It has to be done through the markets, through various instruments and market mechanisms -- but the markets cannot do it unaided. It is public policy that will shape the markets, which in turn could deliver a low carbon future.

"If I were in business today, I would be deeply frustrated with that failure of public policy," Porritt said at The Economist's Third Sustainability Summit held recently here.

So what would he ask of governments? Porritt proposes three 'I's which he says "are enough to change this dysfunctional situation that we are in at the moment."

Innovation
Porritt acknowledges that some of the UK Carbon Trust's new innovation processes are beginning to bear fruit in the UK, even though they may be lacking in some areas. "We're very good at setting targets but are very bad at back-filling the supply chain and innovation processes that will make those targets a deliverable."

He cites the example where the committee on climate change in the UK has made it clear that if they are to get anywhere close to the 2020 target they have set, they are going to need to bring about wholesale electrification of all transport systems in the UK and across the world.

"How well do you think we are doing in putting in place the supply chain systems and innovatory processes to ensure we get wholesale electrification of transport systems here?" he asks. "We have a number of astonishing companies in the UK involved in different kinds of high-tech engineering absolutely ready to start putting in place the building blocks to electrify transport systems for the UK. However, they are struggling to make any sense of this policy context whatsoever."

**Integration**

Porritt says integration across government processes is necessary. Some nine years as Commissioner of Sustainability Development has taught him the true cost of the failure to align policy across UK government departments.

"For most of the last ten years we have had bits of the Whitehall (UK government administrative) system focused intently on creating the conditions for a low carbon economy; we've had the rest of Whitehall focused on almost entirely different policy agendas. If the next government does not get Treasury and the Department of Transport totally aligned behind the idea of prosperity through low carbon economy, we won't make much more progress than we made over the last ten years," he warns.

**Incumbency**

Integration and innovation are powerful tools for transforming the economy. However Porritt says the third 'I' - incumbency - could mess all that up.

"We are not going to create a successful, competitive, highly-skilled carbon
economy by relying on the incumbent power brokers in UK and European business today," he says. "There are many companies whose interests will clearly be jeopardised by a purposeful accelerated route through to a low carbon economy who currently wield enormous influence to block that forward progress."

"We must understand that this is not a particularly nice gentle prospect; this could easily become an all-out battle to set aside the vested interests of incumbents in different markets and bring forward the emerging interests of the innovationists and those who really want to make a success of it," he adds.

The irony, observes Porritt, is that business is already playing its part, without a great deal of help from some of the governments who would like to see it happen. "We hear extraordinary and heartening stories about what is going on in Unilever, M&S, BT, IBM, Boots, other great companies. These are not fly-by-night 'greenwash' frivolous stories for the delectation of PR departments all over the world. These are serious transformation accounts happening right now. Often against the grain of the policy instruments that the governments have put in place."

Porritt says he does not feel despair at the lack of government policy and aid "because everything that is happening in the market at the moment is working against the backdrop which is not designed to make this story succeed. And as soon as politicians get their act together and align their market to make this agenda work, you will see an extraordinary explosion of innovation, entrepreneurship (and) the genius of creative work."

Find article at
https://knowledge.insead.edu/responsibility/sustainability-public-policy

About the author(s)
Grace Segran  is a writer and editor at INSEAD  View full profile