

ACADEMIA Engelberg Dialogue on Science

Summary of workshop 4

Are voluntary measures sufficient ?

The role of big companies

What means sufficient?

- Is maintaining the targets of the Kyoto Protocol sufficient ?
- “The first 100m of climbing Titlis are the most relevant
- you have to get out of the bed !”
(Christoph Schär, ETH)
- “But we are climbing with sandals...
(Hans von Storch, GKSS)
- The ability to make a profit out of the problem automatically changes the way companies perceive this situation”. (Nigel Baker, Swiss Re)

**„We have to identify, where to apply carrots or sticks.“
(Harry Post, Uni Modena)**

**Group
decision !**

Differentiation of industry sectors

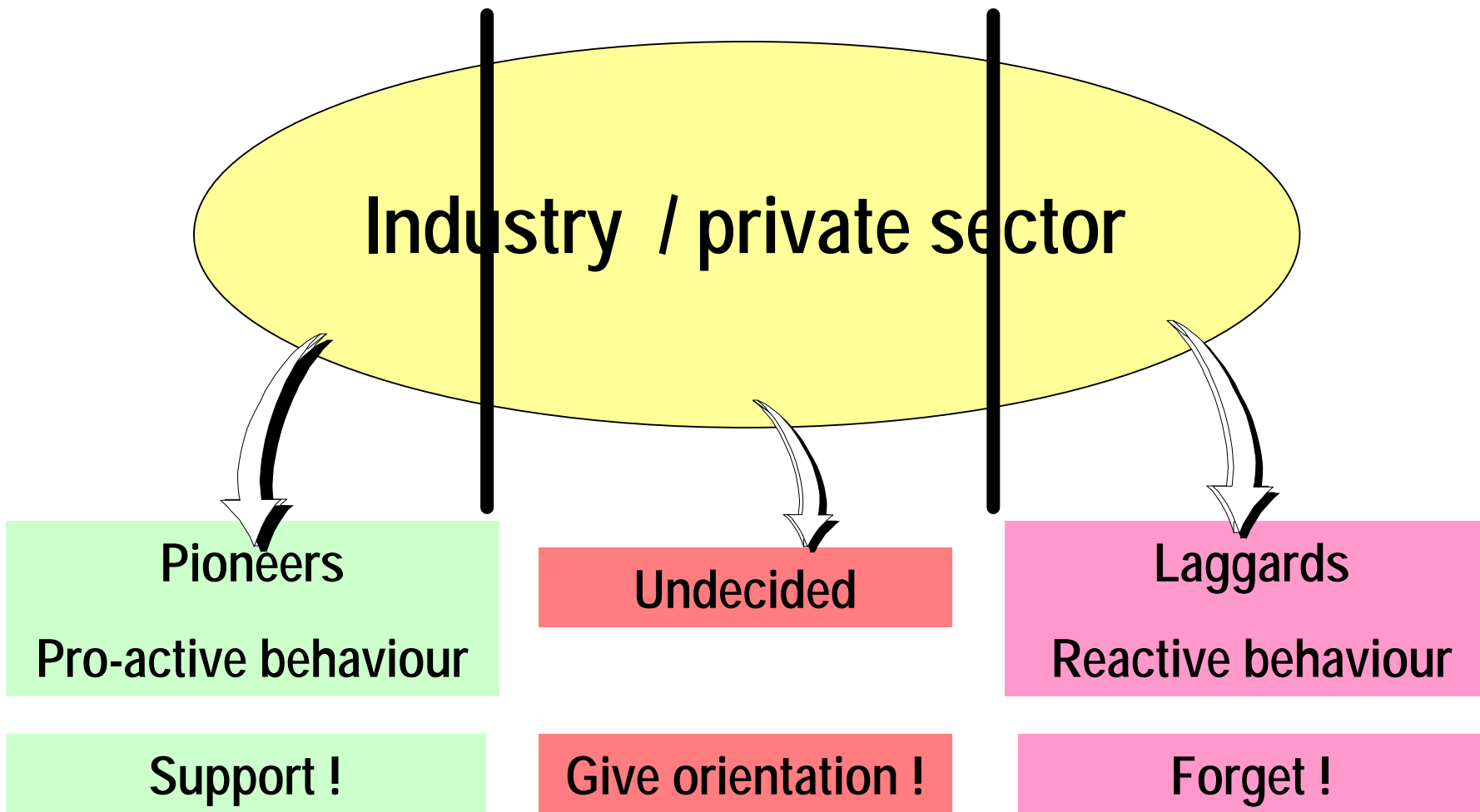
- “I do not believe in statements like business thinks this or that – there is no uniform opinion within industry.”
(Jennifer Morgan, WWF)

Group agreed to differentiate according to two dimensions...

1. Pro-active vs. Reactive

2. Winners vs. losers of the implementation of measures that combat climate change

Differentiation according to orientation towards society



Suggested industry categorization

Industries impacted by climate change and therefore should play a pioneering role; Potential winners

- insurance sector
- renewable energies

Industries impacted by counteracting climate change; Potential losers

- heavy industry
- mining
- Petrochemicals
- Transportation (Airlines, Logistics, etc)

Potential positive as well as negative impacts

- Service sector
- Agriculture
- Health care
- Media
- Construction & Housing

Where to apply carrots or sticks ?

Potential Losers

C = Carrots

S = Sticks

Industry	Public Eye	Level of Org.	Profit Margin	Comments
Aviation	+	+	-	C: Label S: Tax
Lorry	-	-	-	C: - S: Tax (fuel)
Shipping	-	+	+	C: Port State Control System S: Anchor
Petrochemicals	+	+	+	C: Label S: Tax (Cars)
Heavy Industries	-	+	+	C: - S: Tax (Emission)
Power Plants (no nuclear)	+	+	+	C: Label S: -
Mining	-	+	-	C: - S: Tax and other

Potential negative as well as positive impacted sectors

Sector	Carrot	Stick
<h2>Construction & Housing</h2>	<ul style="list-style-type: none"> • Customer demand for green buildings in order to have good PR and save on energy • Industry standard of being modern / forward looking • Used materials can be less expensive 	<ul style="list-style-type: none"> • Customers will reject inefficient buildings
<h2>Media</h2>	<ul style="list-style-type: none"> • Climate change is interesting, newsworthy subject 	<ul style="list-style-type: none"> • If news is too outrageous, people will write and embarrass journalists. • In the future there may be more dedicated climate change newswatch groups
<h2>Banks</h2>	<ul style="list-style-type: none"> • consumer demand, PR 	<ul style="list-style-type: none"> • -reinsurance can't cover their risk • -Investments are not covered until paid back (decades)