

**New Labour, New Environment?  
An Analysis of the Labour Government's  
Policy on Climate Change and  
Biodiversity Loss**

**Executive Summary**

**Dr Neil Carter<sup>1</sup> and Dr David Ockwell<sup>2</sup>**

<sup>1</sup>Centre for Ecology, Law and Policy, University of York  
[ntc1@york.ac.uk](mailto:ntc1@york.ac.uk)

<sup>2</sup>Sussex Energy Group, SPRU, University of Sussex  
[d.g.ockwell@sussex.ac.uk](mailto:d.g.ockwell@sussex.ac.uk)

**Report commissioned by Friends of the Earth**

**July 2007**

This report was commissioned by Friends of the Earth and written by independent researchers from the Centre for Ecology, Law and Policy (CELP) at the University of York and the Sussex Energy Group at the University of Sussex. It reviews the most up-to-date science on climate change and biodiversity loss and assesses the Labour Government's performance in tackling these issues since it came to power in 1997. This serves to highlight the actions that Labour, under the new leadership of Gordon Brown, still needs to take in order to avoid the catastrophic future impacts of climate change and biodiversity loss.

## Key Messages

1. Climate change and biodiversity loss have dire implications for the future welfare and existence of humanity. Overwhelming scientific evidence exists to support the need for urgent policy action to tackle these issues. The Labour Government has, since 1997, taken some action that begins to address climate change and biodiversity loss, but not nearly enough to address the extent of the problem as indicated by the scientific evidence.
2. Politics plays an integral role in enabling or constraining action on the environment. After nine years when there was very little pressure on the Government to be greener, the recent increase in the salience of environmental issues in party politics and public debate has led directly to a flurry of new policies. The challenge now is for all those concerned about the environment to keep environmental politics high on the political agenda and to sustain the current public enthusiasm for environmental issues.
3. There is an urgent need for joined up environmental governance to address the issues of climate change and biodiversity loss that cut across traditional policy sectors, such as energy, transport, housing and farming. Individual ministries still typically engage in a blinkered pursuit of narrow policy sector objectives with little consideration for their environmental impact. The Government must facilitate the integration of environmental concerns across every Department and policy sector.
4. These challenges require visible, committed and sustained political leadership to drive environmental considerations across government. Tony Blair provided unprecedented leadership on the international stage but his domestic impact was limited. Gordon Brown must expend some precious political capital in providing the domestic leadership Blair failed to deliver. However, Brown's early actions do not yet signal that he is serious about the environment.
5. The formation of a new Labour Government under Gordon Brown opens further the exciting window of opportunity to make a step change in environmental policy. If the Prime Minister is committed to Cabinet Government, then the environment offers the perfect opportunity for Brown and his new Government to demonstrate a new style of collective leadership, in which old style Departmentalism is replaced by a progressive, genuinely joined-up strategic approach to resolving the twin challenges of climate change and biodiversity loss.

## **The Science of Biodiversity Loss and Climate Change**

Climate change and biodiversity loss have dire implications for the future welfare and existence of humanity.

There is now overwhelming scientific evidence demonstrating that climate change is happening and that, without urgent action, it poses a catastrophic threat to our future economic welfare and, ultimately, our lives. As a result of human emissions of CO<sub>2</sub> and other greenhouse gases, global average temperatures have increased, patterns of precipitation are changing, snow and ice cover is receding and sea levels are rising. Unless human greenhouse gas emissions are radically reduced, the impacts of climate change will become increasingly more extreme. Sea levels will continue to rise, extreme weather events such as flooding and droughts will become more frequent and widespread, and others, such as tropical storms, will become more intense. Dangerous 'tipping points' are also likely to be reached where events such as the melting of vast areas of permafrost exposing peat soils, or extensive increases in microbial soil activity, will result in further rapid releases of greenhouse gases into the atmosphere thus speeding the process of climate change. Another possible extreme tipping point is the slowing or even switching off of the 'Gulf Stream' or 'North Atlantic drift'. This would have extreme impacts on large parts of northern Europe, including the UK, by significantly reducing minimum winter temperatures.

Many political figures, including Prime Minister Gordon Brown, have made statements that highlight the severity of the problem of climate change and the need for urgent policy action. Current Government policy, however, aims to stabilise atmospheric concentrations of CO<sub>2</sub> at 550ppm, with the aim of limiting the global average temperature increase to 2°C – anything above that level is internationally recognised as likely to result in dangerous climate change. However, many commentators, including Government departments, have long highlighted the need to aim for much lower concentrations. The most up to date and comprehensive review of the scientific evidence by the IPCC suggests that stabilising concentrations anywhere above 350ppm CO<sub>2</sub> is likely to result in an increase in global average temperature of more than 2°C. Moreover, for this 350ppm CO<sub>2</sub> concentration to hold the temperature increase to 2°C the IPCC suggests that global greenhouse gas emissions must peak sometime between 2000 and 2015, implying a maximum of just over seven years still available to begin to reduce global emissions.

Human activity is also having a profound and often irreversible impact on biodiversity. Biodiversity can be simply defined as the diversity of life on earth. Biodiversity is vital to the functioning of ecosystems upon which humans rely for essential goods and services that support our economies, process our waste and maintain the climate in such a way as to make human existence on earth possible. Biodiversity loss tends to receive less attention from politicians than does climate change, yet it poses a similarly severe threat to human well-being. Furthermore, in the future climate change is likely to hasten the current unprecedented levels of biodiversity loss.

Current rates of species extinction are reported to be one thousand times higher than anything that the fossil record shows has ever occurred before. This is mostly a direct result of human activities, most notably habitat change (e.g. conversion of forested land to agriculture, urbanisation, modification of and water extraction from rivers, destruction of coral reefs, damage to sea floors due to trawling, desertification), climate change, invasive alien species,

overexploitation of species (e.g. over-fishing) and pollution (in particular nitrates, phosphorus and sulphur from agriculture and industrial processes).

Without urgent policy action to address the direct and indirect causes of biodiversity loss we risk irreversibly damaging the ecosystem functions upon which we rely to make economic activity and, ultimately, human existence on earth possible.

## **UK Climate Change Policy since 1997**

The Labour Government has, since 1997, taken some action that begins to address climate change, but not nearly enough to tackle the extent of the problem as indicated by the science. The UK Government, notably Tony Blair, has played a leading role in advancing the climate change agenda on the international stage, but this has not been matched by a similar ambition at the domestic level. Most notably, the Government's target to stabilise greenhouse gas concentrations at 550ppm CO<sub>2</sub> is much higher than the 350ppm CO<sub>2</sub> that the science now suggests is necessary to avoid dangerous climate change.

### **Energy Sector**

Provisional figures indicate that carbon emissions rose 1.25% in 2006 to reach their highest level since Labour came to power – some 2.7% higher than in 1997 and 3.7% higher than their lowest level in 1999. The UK should meet its Kyoto target of reducing greenhouse gas emissions by at least 12.5% below baseline 1990 emissions levels over the period 2008-2012. This achievement is largely the fortuitous result of the switch from coal to gas for power generation during the early 1990s rather than a deliberate Government emissions reduction policy. The UK will fail to meet its tougher domestic goal of reducing CO<sub>2</sub> emissions by 20% below base levels by 2010.

Despite introducing the Renewable Obligation, the Government has failed to do enough to stimulate significant growth in the renewables sector and looks set to miss its target of 10% of electricity to be generated from renewables by 2010. The Government has made a U-turn on its policy towards nuclear power since its 2003 Energy White Paper, with Tony Blair publicly expressing the Government's intention to support the construction of new nuclear power stations (despite failing to carry out a legitimate public consultation on this hugely controversial issue). In order to be successful in the long term, the Government's approach to energy policy needs to consider the institutional and infrastructural systems that determine the way energy is generated, supplied and used. Without a more holistic approach to understanding the nature of energy policy, a successful transition to a low carbon economy is highly unlikely to be achieved.

### **Business Sector**

There are very few measures to reduce GHG emissions in the business sector. Some progress has been made in reducing emissions via the Climate Change Levy and Climate Change Agreements, but most of the emissions reductions were the result of the initial 'announcement effect'. The EU ETS will have little if any impact on Greenhouse Gas Emissions from the business sector before 2012.

### **Domestic Sector**

The domestic sector offers opportunities for a range of easily achievable measures to reduce emissions. To date, however, the government has largely failed to take advantage of these

opportunities. Policy consists of a modest set of measures that fall well short of what is necessary to deliver serious emission reductions. The Government has repeatedly failed to meet its own targets for reductions in this sector.

### **Transport Sector**

In the transport sector, carbon dioxide emissions are rising faster than from any other sector and are likely to become the largest source of UK emissions in the near future. The Labour Government started out with great aspirations for reforming transport policy, but perhaps in no other policy area have its efforts fallen so short. Its reluctance to make concerted efforts to reduce the amount that people drive or fly implies little hope for future reductions from this sector. The fuel protests in 2000 profoundly shocked the Government, so although the Treasury has introduced some innovative tax measures, it has subsequently been extremely nervous about anything that might be construed as increasing the cost of motoring. The Government's 'predict and provide' approach to aviation and the lack of any substantive carbon reduction measures represents a serious policy failure.

### **Biodiversity Policy Since 1997**

Biodiversity has always been lower on the Blair Government's agenda than climate change, despite the similarly catastrophic implications of biodiversity loss.

### **Domestic Action**

Action on biodiversity loss in the UK has been successful at slowing or reversing the decline in some species and habitats but many are either not improving or are still in decline. There is a significant shortfall in funding available for delivering the UK Biodiversity Action Plan.

The Government has made positive advances in improving the impact of agriculture on biodiversity, although the funding available to support agri-environmental schemes remains limited. Policy to address biodiversity loss in the marine environment is inadequate; these weaknesses are only partially addressed by the much delayed Marine Bill. The Planning White Paper and current house-building plans represent a real threat to biodiversity and other key sectors such as transport, energy and industry give biodiversity loss little attention. If the Government is to achieve its declared aims of halting and reversing biodiversity loss it needs to ensure biodiversity is integrated across the whole spectrum of UK policy. It is also notable that the Government is heavily dependent on the remarkable voluntary work of many conservation NGOs for the development and delivery of biodiversity policy.

### **International Action and Trade**

The record of the Government on international biodiversity and trade issues is less impressive than its domestic record. The Government seems almost indifferent to protecting the rich biodiversity in the UK Overseas Territories. Until recently, DfID has largely ignored biodiversity considerations in its development work, despite the clear links between poverty and environmental degradation. Although it has done some good diplomatic work in the past, the FCO has recently sidelined biodiversity in favour of climate change. The UK Government has pursued a trade liberalisation agenda, particularly in the Doha Round, that has displayed little concern for the biodiversity and climate change implications of free trade.

## **Environmental Policy: Challenges and Obstacles**

The Labour Government has never denied the science of climate change. The Prime Minister and key environment ministers have made statements that imply that they have grasped the urgency of the situation, but this urgency is not shared across the Government in key economic Departments, particularly DfT, DTI (now the Department for Business, Enterprise and Regulatory Reform) and the Treasury. The Government also seems to understand the basic need to conserve biodiversity by protecting precious habitats and species, but the fundamental messages of the Millennium Ecosystem Assessment about the fragility and importance of ecosystem functioning are only slowly trickling down into DEFRA, DfID and the Treasury.

### **Party Politics**

Until the last year, the environment has remained a low profile issue in party politics. The Labour and the Conservative parties have paid minimal attention to the environment in their party manifestos, whereas the Liberal Democrats have consistently made it a central campaigning issue. Political parties generally tend to pay more attention to the environment in the mid-term of a parliament, but shy away from it around general elections. There has, however, recently been a clear 'Cameron effect' on environmental politics. The attention given to the issue by David Cameron has helped move the environment up the political agenda and encouraged policy responses by Government. It remains to be seen whether this will be sustained under the Brown premiership and whether the issue will remain on the party political agenda approaching the next general election.

### **The Labour Party and Environmentalism**

Action on the environment can conflict with traditional Labour emphases on economic growth and job creation. It also implies lifestyle compromises that are perceived as unattractive to target, 'middle England' Labour voters. Progressive environmental policies also often involve regulation or taxation, which challenge 'New Labour's' efforts to be more business friendly. There has been little pressure on the Government from the wider Labour Party – 'New' or 'Old', in Parliament or beyond - to take a tougher stance on the environment.

More generally, the environment is traditionally viewed to be 'bad politics'. It often involves unpopular measures now, the benefits of which will only be felt by future generations. This has been reflected in Labour's reluctance to adopt tougher policies to protect the environment, particularly in the transport and energy sectors. Despite the interest Blair took in climate change, his enthusiasm did not progress to engagement with broader environmental issues and failed to result in sufficient policy action at the domestic level.

### **The Green Lobby**

Most of the 'green lobby' welcomed the election of the Labour Government in 1997 and was initially a little uncritical of its efforts, but that benevolent attitude soon dissipated. Although the green lobby has exercised some modest influence over environmental legislation, it has failed (despite clear encouragement from the Government) to mobilise the kind of mass support for environmental issues that would put irresistible pressure on the Government to introduce more stringent environmental measures. Indeed, the Government has often privately expressed its frustration with the more oppositional elements of the green lobby for

failing to support publicly some of its braver actions on environmental issues, such as the introduction of the Climate Change Levy.

### **Business Interests**

Business interests have succeeded in preventing or delaying Government action on numerous environmental problems and have managed to dilute many proposals that would have imposed significant costs on business interests. Most notably, the CBI has exercised an important, mostly negative, influence over Labour environmental policy.

However, not all business interests adopt anti-environmental positions and there has been something of a sea-change at the very centre of the mainstream corporate world as epitomised by the Corporate Leaders on Climate Change. With the environmental leaders in each sector already coming onside, there is currently an unprecedented 'window of opportunity' to win the support of mainstream businesses for more progressive environmental measures.

### **Policy Integration**

The government has failed to integrate properly action on the environment across different policy areas - individual ministries still typically engage in a blinkered pursuit of narrow sectoral objectives with little consideration for their environmental impact. The creation of the Department of Environment, Transport and the Regions (DETR) in 1997 was a bold move that could have overcome this issue but that encountered some teething problems. The subsequent dismantling of the DETR has separated the environment from both planning, which makes little sense, and transport, which effectively sidelines environmental considerations from this key sector. The failure of Brown to take advantage of the opportunity to rectify the lack of integration in the June 2007 cabinet reshuffle suggests the environment may not be a priority for the new Prime Minister.

Although the sustainable development strategy has introduced what on paper looks an impressive set of administrative structures and mechanisms aimed at enhancing environmental policy integration, in practice its impact has been limited. Policy integration was further impeded by Tony Blair's style of government, with its focus on bilateral discussions with chief ministers and a downgrading of Cabinet discussion. This approach limited the degree of inter-departmental discussion so that individual Departments often lacked the information – let alone the inclination – to consider the environmental impact of their policies in other policy sectors. In this respect, it is possible that the new Prime Minister's declared commitment to 'Cabinet Government' could improve the coordination of environmental policy across different policy sectors.

### **Political Leadership**

The design and delivery of effective policies to address cross-cutting problems such as climate change and biodiversity loss requires visible, committed and sustained political leadership to drive these strategies across government. The Labour Government has not provided that leadership for domestic environmental policy. One consequence is that individual departments such as transport still marginalise environmental concerns. Another is that potentially unpopular policies such as fuel duty increases, road pricing and aviation taxes have been avoided.

Two people in Government could have provided the necessary domestic strategic leadership: Tony Blair or Gordon Brown, yet it was not forthcoming. To drive any policy through the political process and the governmental bureaucracy requires considerable political capital, but Blair and Brown both chose to give priority to other issues or had more urgent demands on this precious commodity. It took the appointment of David Miliband as Secretary of State for the Environment to provide some real domestic leadership on the issue. His arrival coincided with a general rise in the profile of climate change and the impact of the ‘Cameron effect’ on domestic environmental politics. Miliband exercised some influence across Government, securing legislative time for the Climate Change Bill and support for several other initiatives.

As Chancellor Gordon Brown had the structural power and political influence to have driven the environmental agenda across Government but, like Blair, his priorities lay elsewhere. The Stern Report helped Brown to understand the economic significance of the issue and the important linkages between the development and environmental agendas, but the main message he seems to have drawn from it is the importance of international action - despite Stern making clear the need for domestic action too. Brown is likely to pick up where Blair left off in terms of the UK playing a leading role in international climate change diplomacy, especially with the recent appointment of David Miliband as Foreign Secretary, but it remains unclear whether he will deliver substantive action at the domestic level.

### **Treasury**

The Treasury is arguably the most powerful institution within Whitehall, and under Gordon Brown its influence was extended and strengthened, enforced by mechanisms such as the Comprehensive Spending Review and Public Sector Agreements. It plays a critical role in the environmental policy process, not only as the controller of public expenditure, but also because its approval is needed for almost every significant new policy measure. The Treasury has, however, rarely used its power positively to tackle environmental issues. Many observers see it as obstructive to environmental policy and too sympathetic to business interests at the expense of the environment.

The environment has not been a spending priority for this Labour Government (or, indeed, any previous government). The environment budget remains tiny compared to the major spending departments such as health and education. In a political world where the size of budgetary allocations is of major importance, the absence of a big settlement for the environment is a hugely significant symbol of its low position on the list of Treasury priorities.

More fundamentally, the relative paucity of the environmental budget is also a major barrier to more effective climate change and biodiversity strategies. Key areas where more spending could make a big difference include:

- R&D and investment in nascent technologies, such as renewable sources of electricity, energy efficiency and microgeneration.
- Home insulation and other domestic measures to improve energy efficiency.
- An affordable, reliable and extensive public transport system.
- The UK Biodiversity Action Plan – current spending is only about 50% of the estimated required budget of £677 million.



As most environmental policy still involves regulation – even emissions trading is a combination of regulation and market mechanisms – the growing opposition of the Treasury to regulation in recent years has been an obstacle to several progressive environmental initiatives from different ministries.

In 1997 the Treasury issued a far-reaching and progressive ‘Statement of Intent on Environmental Taxation’, which declared that the Government’s aim was ‘*to reform the tax system to increase incentives to reduce environmental damage*’ and it promised to increase the proportion of revenues gained from taxing environmentally damaging activities. However, although the Treasury has introduced some innovative measures, the share of environmental taxes as a percentage of GDP was lower in 2005 than in 1997. Importantly, the Treasury needs to relax further its understandable opposition to the hypothecation of tax revenues, as it did in transport policy where it allows money raised from local transport levies to be reinvested in public transport, which is a key principle underpinning the London congestion charging scheme.

The Treasury clearly regards tradable permit schemes as the most effective means of delivering climate change targets. The Renewables Obligation has created a market in Renewable Obligation Certificates (ROCs) and the UK Emissions Trading Scheme (ETS) was the world’s first emissions trading scheme. The Treasury has actively supported the EU ETS, promising tougher cuts than many other member states and strongly supporting the inclusion of aviation in the scheme. Whilst emissions trading schemes clearly have a potentially significant role to play in reducing carbon emissions by creating a price for carbon, flaws in existing schemes and the recent volatility of the carbon price indicate that the Treasury should not become overly dependent on one policy instrument. Additional intervention is often needed, for example to move technologies from the R&D stage through to commercialisation. Market based mechanisms such as ROCs tend to favour technologies that are close to commercialisation and deregulation of utilities markets tips the scales towards existing technologies and infrastructure that have benefited from years of public investment.

### **Policy Implementation**

Government planning has been repeatedly let down by failures in Departmental forecasting, particularly by the DTI. The climate change and biodiversity strategies have both been characterised by numerous implementation deficits, whilst remedial action to address these problems has often been either tardy or unforthcoming.

### **Lifestyle Change or the Techno-fix?**

It is widely recognised that tackling climate change will require major behavioural changes by UK citizens in almost every aspect of their lives – their homes, how they travel and their leisure activities. It will also require changes to infrastructure and institutions that currently favour powerful business interests. The Government will need to make brave decisions if it is to tackle these challenges head on, but for the reasons identified above these solutions have not yet been forthcoming.

Rather than encourage this behavioural revolution, the Labour Government prefers to seek the silver bullet of a techno-fix solution, such as nuclear power. Another example, which is the current flavour of the month on both sides of the Atlantic, is biofuel, even though it has

many potential flaws as a solution. Yet little attention is given to implementing one of the core principles of the 1998 Transport White Paper: shifting people out of their cars and onto public transport, bicycles or foot. Blair's comments about his family's right to take regular long haul flights revealed an unwillingness to shape the agenda on this fundamental issue.

## **Conclusion**

For most of their decade in power, the environment has been a low priority issue for Labour. Their modest approach has been facilitated by the low salience of the environment in party politics, the weak political opposition, a green lobby that secured limited influence and the negative impact of a powerful business lobby that is still mostly blind to the integral role the environment plays in enabling current and future economic wealth.

Yet the formation of the new Labour Government under Gordon Brown pushes further open an exciting window of opportunity to make a step change in environment policy. The Stern and IPCC reports have publicised the grave implications of climate change for the economy and human livelihoods. The 'Cameron effect' has forced the environment onto the party political agenda and the appointment of David Miliband as Secretary of State for the Environment provided some genuine domestic leadership on climate change policy. The media has seized on the issue, so the green lobby is starting to be heard again, and there are important signs of change amongst some of the more progressive corporate leaders.

There are some concrete results in the form of Government initiatives such as the Climate Change Bill. These initiatives certainly don't add up to a revolution in policy, and Government targets for reducing emission of greenhouse gases fall well short of what the science suggests is needed, but they do show that the Government senses a need to respond to climate change. However, biodiversity loss still seems to be a marginal issue despite its equally catastrophic implications.

These recent changes demonstrate that politics matters in terms of securing more effective action on the environment. The challenge now is for all those concerned about the environment is to keep environmental politics high on the political agenda and to ensure that the current enthusiasm for environmental issues does not become another short-lived 'issue attention cycle', where an issue (re-) emerges from the world of science and activists to grab the attention of mainstream politicians, the media and the public for a while, but then falls off the agenda again as the public becomes aware of the costs of action and their attention switches to the pursuit of another issue.

There are certainly political incentives for all the major political parties to make the environment a central issue at the next general election, when a greener image may appeal to the female and younger voters. Cameron is clearly directing his efforts at these groups and Brown's recent environmental pronouncements indicate that he recognises the need to challenge him on this issue. Although Brown may not have shown any great enthusiasm for the environment as an issue in the past, there are many ways in which it links in to the social justice agenda that he cares about so deeply.

There is also a vital role for the green lobby in pushing Government and mobilising public opinion in order to keep the environment high on the political agenda. Similarly, those corporate leaders who have 'seen the light' must spread the word to the many sceptics in their

ranks, although the most effective method of persuasion will probably be to demonstrate by their actions that progressive environmental policies bring economic benefits.

The analysis of environmental governance demonstrates the urgent need for political leadership. Tony Blair provided unprecedented leadership on the international stage, but his domestic impact was limited. Gordon Brown seems to have interpreted the Stern Review as emphasising international *rather* than domestic action, so he is likely to pick up Blair's mantle in international climate change diplomacy, particularly now that he has appointed David Miliband as Foreign Secretary. Yet there is an urgent need for domestic leadership too in order to drive environmental change horizontally across and vertically down through the government machine. Brown must expend some precious political capital in providing this leadership.

If Prime Minister Brown is serious about the environment, then he needs to signal that it is a critical issue for him. His early actions as Prime Minister were disappointing, with no indication that environmental concerns shaped the formation of his first government. Yet if his claim that he is committed to Cabinet Government has substance, then the environment offers the perfect opportunity for Brown and his new Government to demonstrate a new style of collective leadership, in which old style Departmentalism is replaced by a progressive, genuinely joined-up strategic approach to resolving the twin challenges of climate change and biodiversity loss.