

ALL DRESSED UP BUT NONE TO CARRY THE BAGS

British government has to be commended for its bold step in bringing a legislation that requires Britain to cut CO₂ emissions to 40% of 1990 levels by 2050. This means a reduction of 60% of today's emissions. The legislation creates a structure for measuring progress through an interim target of a cut of 26-22% by 2020 and a series of rolling 5 year carbon budgets. Set by a new climate change committee these budget will try to cut emissions who were each five year period if the government fails to meet the targets it would have to purchase carbon credits from abroad and face judicial review at home. This makes UK the first country in the world to establish a legal framework for moving to a low carbon economy, California has already secured its place in history by being the first US state in the world to do so.

The bill raises hard questions about how the government commitment will actually be implemented. Whilst every party and political shade is competing in their greenness none is prepared to carry the can and commit voters for life style changes required to fulfil the commitment. David Cameron's move to impose aviation taxes on an industry, that till date has escaped even the Value Added Tax, resulted in frenzied criticism, was termed by Labour as "criminalizing" frequent flyers. A lobbying organisation of directors called it a "disproportionate burden on business".

The climate change is going to be the biggest risk that business has ever faced. Rising global temperature will mean more flooding, more drought, more hurricanes resulting in shortages of food and water across the globe. Survival of business in such a scenario will depend on their innovation and nimbleness. The asset valuation will depend on company's ability to handle social, environmental and governance (ESG) risks. . As such it offers a great opportunity to businesses to use greenness as a competitive differentiator and provides grist to innovating companies' mill in opening new markets and new spaces for sustainable growth.

Companies such as Marks and Spencer have already taken the bull by the horn and put climate change, zero waste and sustainability on top of their business agenda and investor £200 million to go green. BP has attempted to restyle itself with its Beyond Petroleum label. Toyota has made substantial investment in hybrid cars; and Tesco plans to 'carbon label' its products, to show how much carbon dioxide is emitted during their production, transport and consumption

Climate change is the most formidable challenge of our times. Action to combat climate change has to go beyond rhetoric and piecemeal approach. At the 8th Environment Conference held in Palampur, 1500 children joined a global human chain to PROACTIVATE to combat change in climate. PROACTIVATE is an 11 point programme that sums up what we need to do if we wish to save our planet. It is an acronym where P stands for pricing natural capital, R for radically increasing resource productivity and energy efficiency, O for opting for minimalist lifestyle, A for adopting zero waste systems, C for capturing CO₂ and soaking it by planting trees, T for turning to renewables, I for investing in green technologies, V for vigorous pursuit of market mechanism for punishing polluters, A for activating women and teenagers, T for training in eco-efficiency and E for execution, to become the change we seek.

Climate change calls for a commitment to make a 180 degrees shift in lifestyles. It requires holistic and composite approaches designed to reduce the human footprint of planet. This would need moving economy from the existing consumerist, materialistic and acquisitional mode to experiential mode that appeals to human emotions to create happiness.

In 1930 John Maynard Keynes imagined that richer societies would become more leisured ones, liberated from toil to enjoy the finer things in life. Yet, most people today work harder, have less leisure and less happiness. In his recent book on happiness LSE economist Lord Layard reveals – (i) money does not make people happier; (ii) middle class people who become upper class do not report feelings of happiness; Richard Farleigh, the Australian tycoon, says "You see all these boats [in Monaco] and think, well, actually I'm not that rich at all. If I'd stayed in hedge-fund game in 1995, I'd be a multi-billionaire by now. However, the billionaires I've met are some of the unhappiest people I know."

The psychologist Oliver James has written a new book, Afluenza, in which he describes afluenza as an obsessive, envious addiction to consumerism that "increases our vulnerability to emotional disorders and causes high levels of anxiety and sleeplessness." Psychologists like Daniel Kahneman of Princeton University recommend 'experiences' over 'commodities', pastimes over knick-knocks, doing over having as happiness giving. With all this evidence why should business not adopt policies and processes that make people happier rather than overload them with proliferations of products that create unneeded wants and disastrous for the ecology. As for capitalism's wasteful materialism, even Adam Smith had a problem with it. "How many people ruin themselves by laying out money on trinkets of frivolous utility?"