

RESPONSE TO A RESPONSE



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Ladie Smith, the celebrated English novelist, is quoted in the New York Times as saying, “people who believe in fundamental and irreversible changes in human nature are themselves ahistorical and naïve.”¹

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The Mayers and Koomey response to my piece did not address my most basic premise – that the majority of consumers are not willing to pay more, or be even slightly inconvenienced, for sustainable products or services. Off the record, the sales, distribution, and supply chain executives of any large company will

attest to this fact. It has also been proven by many studies based on actual experiments, rather than on opinion surveys. This truth is the fundamental root of my argument. Mayers and Koomey believe that companies can bring about change in spite of what consumers and citizens want and do. I argue that, beyond sustainability theater, companies will never produce something that their customers will not buy or that they have to sell at a loss. Similarly, legislators will not enact substantial regulations contrary to the desires of their citizens, lest they be voted out of office. Instead, as I have described, they restrict themselves to regulations that are too timid to make much of a difference, if any.

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As I write this, the world is falling toward a deep recession that is likely to continue for years. It seems reasonable to expect that even more people -- unemployed, worried, and frugal -- will begin to perceive sustainable products as luxury goods. Companies will focus more on staying in business and on inventory management practices, driving sustainability further from their primary concerns. As the price of oil continues to fall, it is becoming significantly cheaper than renewables, making them an ever less appealing investment. In short, the current

and impending situation further strengthens the arguments in my paper. Mayers and Koomey's response focuses mainly on (i) reiterating the danger of a warming planet, (ii) hoping that actions which may (or may not) be taken in the future (their bulleted list) will lead to substantial change, (iii) a treatise on renewable power, and (iv) a pessimistic assessment of technological advances in carbon sequestration. Let me address these arguments point by point:

1. No argument with the first point. I am as worried as they are about global warming and even more worried about relying solely on hopes and the good intentions of the public. I characterized the situation in my paper as a "tragedy of the commons on a planetary scale."

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2. I envy those who can ignore the lack of progress, the public resistance, the failure of important (green) countries to comply with the Paris Agreement, the inability of the Madrid COP to reach a comprehensive agreement, and the dearth of meaningful regulations. These optimists seem instead to rely on anecdotes and corporate news releases to sustain them. Fifty years after the first Earth Day,

increasing worldwide emissions, and a growing reliance on coal in many developing countries, suggest that our current incremental efforts are not enough. Mayers and Koomey do not address the fact that more than half of humanity is still striving toward a middle-class life with air conditioning, cars, steaks for dinner, and concrete housing. Given these facts, there is no indication that our current efforts are anywhere close to addressing the global warming challenge.

3. Like the first point above, this overview of renewables seems rooted in a misunderstanding of my position. Not only do I believe the problem is real and severe, I also urge continuing current efforts, such as the use of renewable power. As Mayers and Koomey mention, I did write that "companies should focus on developing ecotechnology (including renewables and energy efficiency measures)." So why do they conclude that I call for "inaction" and dismiss the importance of renewables? My only concern about renewables is that the data suggests the movement to renewables is not working fast enough.

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4. As I freely admit in my article, carbon sequestration is expensive and unproven at scale. But I am optimistic. As they realize that our current efforts are not up to the challenge we face, more and more scientists and engineers will turn to

developing new technologies, including better, faster, cheaper carbon sequestration methods. My hope is that these scientists and engineers will not be lulled into inaction by the naive optimism expressed in Mayers and Koomey's response to my article but will continue pushing the technological frontiers.

Like many well-meaning environmentalists, Mayers and Koomey seem to take comfort in unexamined corporate pronouncements and press releases. Consider their argument that: "Even Blackrock decided to remove from its portfolio all companies generating more than a quarter of their revenue from ther-

mal coal production..." Really? First, let us note that Blackrock had one of the worst environmental records in the world before that announcement.² Even after the announcement and the corresponding "divestiture," Blackrock will remain one of the world's largest investors in fossil fuel companies.³ And why companies which get 25 percent or more of their energy from coal; why not 10 percent, or zero? Moreover, the new policy applies only to its \$1.8 trillion "active fund." As a result, the "divestiture" will affect a scant \$500 million in holdings, or 0.00007 of its \$7 trillion in assets.⁴ Finally, on May 17 2020, the Financial Times reported that Blackrock refused to back

the environmental resolutions of Australian oil companies. Its headline read: "BlackRock accused of climate change hypocrisy."⁵ I see BlackRock's original announcement as a prime example of greenwashing, reported by a few wide-eyed and lazy media outlets, and leading well-meaning yet gullible environmentalists to think (or rather hope-against-hope) that Blackrock is on their side and the world is changing.

Mayers and Koomey argue: "Let us then proceed on the basis of both empirical evidence and scientific expertise." Surely that evidence should include a hard look at the data and not just hopeful optimism. ■

Endnotes

1. <https://themorningnews.org/p/zadie-smith-on-optimism-and-despair>
2. Patrick Greenfield, "World's top three asset managers oversee \$300bn fossil fuel investments," *The Guardian*, October 12, 2019
3. 6.7 percent stake in Exxon Mobil, 6.9 percent in Chevron, and 6 percent in the mining company Glencore, among others.
4. Attracta Mooney, "BlackRock seeks to regain lost ground in climate fight," *Financial Times*, January 14, 2020. <https://www.ft.com/content/36282d86-36e4-11ea-a6d3-9a26f8c3cba4>
5. Attracta Mooney, "BlackRock accused of climate change hypocrisy," *Financial Times*, May 17, 2020