



Read the Archbishop's speech at the Transition Pathway Initiative – Asset Owners State of Transition Climate Summit in London this morning.

Thank you very much for your welcome.

I want to start by saying that we need to distinguish process and outcome. TPI is the most extraordinary achievement. £7 trillion “under management” has been committed to this process, to the Transition Pathway Initiative.

We are very grateful for this summit today with FTSE Russell, with the LSE’s Grantham Institute and Professor Dietz and his team, and this very remarkable piece of research which is illuminating in many, many ways. But we must distinguish process and outcome.

In the oil industry, in the days when I worked there, the explorers had a phrase which they called a ‘technical success’. (I can see the head of Shell nodding.)

A ‘technical success’ is when you drill a well – at great cost, if you’re like me as group treasurer and you really felt that the only place money should be was in the bank, not at risk in the oil industry – and you drilled the well and you found the rock levels exactly where they ought to be at every single point.

So your seismic analysis was perfect, and everything was where it should be. The only problem was that there was absolutely no oil and gas in there at all...

From the explorer’s point of view this was a success because they were geologists and they had analysed everything perfectly. From everyone else’s point of view, it was probably less useful.

The TPI is something that must produce outcomes.

2030 is probably the only phrase in your entire presentation that I would want to differ with. You said ‘in the long term’: 2030 is not long term.

Particularly within the extractive industries, even 2050 is probably two thirds of the time horizon that most companies would look at when they are looking at a new province in which to explore.

Within the hard rock mining area, you’re looking at over one hundred years on most projects, from when you first begin to explore to when you close down the facility.

So 2050 is not long term; that is well within the horizon. 2030 is virtually tomorrow.

Therefore what we have heard today is a cause for deep concern, and the £7 trillion needs to flex its muscles ever more clearly and ever more powerfully.

Furthermore, stress testing against two degrees is, in terms of scenario planning, probably not sufficient either.

We need to remember COP21 said that two degrees was the absolute worst situation we could go for – and we needed to get as close to one and half as possible.

And most scientists today would say that one and a half is already going to lead to incalculable changes in the way the global climate operates.

So what we are doing here today is not comparable to many of the other problems that those who run funds, and are in charge of investment, have to face. When I looked at the Financial Times this morning the headline was around issues of a potential trade war.

That is obviously a significant, a huge, potential problem were it to come about in its worst possible form.

But it's one that could be stopped by a simple agreement between a couple of dozen world leaders. It could stop overnight, literally.

Even if it went into a full scale 1930's type situation, the trade tariffs can be changed in a matter of days if people really put their minds to it.

This problem is not susceptible to solutions other than long term intra-generational effort that may or may not have sufficient success.

It is a problem that will control us, not a problem that we can control, if it is allowed to get out of hand.

It is an existential problem for the entire global community in a way that nothing else is.

It is also not only a future problem.

The political philosopher Edmund Burke at the end of the 18th century said that the social contract is a covenant between those who have lived in the past, those who are alive today, and – extraordinarily for those years – he went on to say those who are as yet unborn.

What we are doing today may seem sometimes to be – and is – for those who are yet unborn. But it is also something that is happening at this very moment.

At the beginning of the Christian season of Lent this year, I travelled to Fiji to attend a meeting of the heads of the churches of the Anglican Communion in the Oceania region.

And there we saw, as one of them said rather memorably, that “For you Europeans, climate change is a problem for the future. For us it is a problem of everyday survival.”

They gave two examples, one that they were moving villages inland in those places where there was enough inland to move them across the south pacific.

Secondly, and this is affecting all of them, that the track of the cyclones that used to go really across the wastes of the pacific, with climate change has shifted a few hundred miles south – and is now hitting populated areas with far greater frequency.

Therefore it is literally, from year to year, a matter of life and death that affects places like Kiribati and the Marshall Islands.

To take another example, in Africa the deserts are spreading – particularly the Sahara is spreading south.

You will have observed and be aware of the conflicts between herdsmen and agriculturalists in Nigeria, where this year the conflict has moved some two or three hundred miles further south than we have ever seen it in history, even in the great dan Fodio Jihads at the beginning of the 19th century.

Having moved south into the oil producing regions of Bayelsa and Delta State – the first time that we've seen that kind of conflict in that area – one had to ask why this was happening.

It is hung on the hook of religion because that's a nice, easy answer. But the underlying answer is that the herdsmen are finding they are being pushed south by the expanding desert from the north.

It is people movements that change our world much more than individual politicians.

In the past empires have risen and fallen, and civilisations have themselves risen and fallen, as a result of movements of people.

What we are seeing in climate change is something that will move people on a scale that we have never dreamt of in the history of human kind.

In terms simply of the threat to business, of the move between level zero in Professor Deats' presentation and level one or level two, the impact is literally incalculable.

It is unpredictable: what happens when huge numbers of people can't feed themselves and seek to go somewhere else?

There is no scenario planning that gives you an answer to that.

There is no way of saying "this is what will be the impact on markets", anymore than there was in 1938 if you tried to scenario plan the following seven years in the global market.

Climate change is unpredictable. Disruptive. It destroys markets and even in the least serious cases, it is going to be exorbitantly expensive for

protection and insurance.

So it is genuinely an existential threat and it is something that is not just over the horizon. It is something that is more than hull-up over the horizon. Something we can see, experience and have to deal with day to day.

I hope you will not be surprised, nor for that matter offended if, as an Archbishop, I mention God – even within the Church of England you do occasionally do that.

Within the predominant faith communities of the world – both Christianity with about two billion people, Islam with about 1.2/1.3 billion – the 85% of human beings who follow one global faith or another (by the way not declining, but expected to rise to over 90% over the next 20 or 30 years). In almost all the faiths there is a common understanding of the responsibility of human beings for creation, what we call stewardship – trusteeship – that we do not own creation: we are responsible for caring for it and handing it on to the next generation.

The 24th psalm, part of the authoritative scriptures of Christianity and Judaism, and a very significant part of Islam as well, says this:

'The earth is the LORD's and all that is in it, the world, and those who live in it; for he has founded it on the seas and established it on the rivers.'

The earth, created by God, supports the life of God's creatures. Raw materials from the earth provide our food, our clothing and our shelter.

Interaction with the natural world enables us to experience wonder, joy, celebration and hope in a way as we can in no other place.

We are called as human beings to exercise stewardship. Not as owners, but as one who is charged with overseeing and looking after something.

That is why the churches, thankfully now, but generally too late if one is honest, around the world are calling people to a renewed respect for the integrity of creation.

This is something that is particularly important within Roman Catholicism orthodoxy and Anglicanism. The Orthodox Ecumenical Patriarch, Bartholomew in Istanbul, is a leading figure in this area, as is His Holiness the Pope.

To come back finally to the Church of England, we must not just state our beliefs: we must live them out.

I am constantly brought face to face with the realities of the issues we deal with by my contact with the worldwide Anglican Communion.

The WhatsApp messages come in from dioceses and primates – the heads of our provinces all around the world describing their issues with climate change.

At COP21 in Paris, the Anglican initiative was one of those recognising as influencing the outcome of the summit.

As investors, the church is aware of its responsibility to make sure that we manage things in a manner that is aligned with Christian values, witness and mission.

We recognise, however, that we cannot do this alone. We cannot just come in and lecture, then go away. We are one actor among many.

And that is why the TPI is an example of how the church, in partnership with others, can play a leading role.

For those who are part of the TPI, the £7 trillion can change the weather.

It is extraordinary that companies like Shell are beginning to redesign themselves as primary energy producers, not oil and gas companies primarily.

That is the most remarkable change in psychology. It will take a generation to do, but it is essential.

Other companies are exiting coal altogether, such as Rio Tinto, and this is because their shareholders, as well as their management, think this is the right thing.

However, we have seen that it is not yet gathering the traction that it needs.

Among the hydrocarbon companies, the oil and gas companies have forward-looking ambitions on reducing their total emissions.

Just this week BP announced that they have bought the UK's biggest electric car charging network, as they recognise the changes that will have to come.

But it is not enough.

We are not yet on track for two degrees, let alone one and a half.

Days like today must step up the ambition if they are to be worth the time and trouble of those who come here.

About three years ago, I very foolishly started writing a book called Dethroning Mammon, which is why I was slightly surprised to find myself opening the stock exchange.

But I obviously got it right because the market is now down over 1% – so I've done some dethroning of my own.

When I wrote that, as I looked at the issues, it clearer and clearer to me how in my own life, as well as in the economy across the country, that how we lock ourselves into our attitude to investment will direct how we lock ourselves into our attitude to fossil fuel dependants, or to climate change.

You are the people who can drive the transition.

It is still not quite too late. Though it is too late already to avoid significant disruption. But it is not yet too late to avoid the uncontrolled, unchangeable and dramatic disruption that would mean that thing which we hope – that our children and grandchildren have better lives than we do – would become a fading dream.

We have the opportunity to turn that round and to say that the generations to come can look back in gratitude, rather than condemnation.

It needs a heavier lift than we have at the moment, and I hope today will change that and take a step forward.

Thank you very much.

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