

# Opinion & Analysis

## We ignore the realities of climate change at our peril



**JOHN  
GIBBONS**

As with the meltdown in financial markets, the signs of systemic environmental collapse circle ever closer

**H**E MAY not be the best-known O'Reilly within Ireland, but the Dublin-born chairman and chief executive of the oil giant Chevron is one of the biggest noises globally in the energy business.

A chemical engineer by training, David O'Reilly is also perhaps the most successful of Ireland's wild geese, heading a global energy colossus, with 53,000 workers and annual revenues of over \$100 billion (€75 billion).

O'Reilly was home earlier this month to address an Engineers Ireland meeting. RTE's John Murray caught up with him for a radio interview, which was broadcast last Sunday morning on *The Business* programme. O'Reilly rattled off the numbers on our extraordinary relationship with energy – the world consumes the energy-equivalent of about 240 million barrels of oil a day.

The totality of renewables provide only a tenth of this vast energy consumption, a figure which hasn't shifted much in the last 20 years and O'Reilly says is unlikely to do so in the next 20 either. Renewable power will increase, but gains are subsumed into ever-increasing energy demands.

Contrary to peak oil theorists, he believes there are up to 50 years of recoverable oil supplies out there. He didn't mention it specifically, but he must be factoring the

billions of barrels lying beneath the disappearing Arctic ice cap into his bullish calculations. Thanks to the rapid collapse of the cap, the world's major energy companies are tussling to tap these hitherto frozen assets. Unfortunately, the vanishing of this ice cap will have the deeply unpleasant effect of unhinging the planet's climate, but then again, business is business. One man's environmental cataclysm is another man's new revenue stream.

O'Reilly is hardly uninformed. Doubtless he is aware that last month, the chief scientific adviser to the UK government, Prof John Beddington, predicted a global catastrophe by 2030 due to what he called a "perfect storm".

This is where soaring demand for water, food and energy runs into the brick wall of a damaged, declining and unstable ecosystem increasingly unable to meet our burgeoning demands. This, said Beddington, will trigger widespread civil unrest and huge climate-driven migrations.

O'Reilly also thinks decades ahead. His crystal ball has, however a distinctly rosier hue. He pointed out to Murray that right now, a billion of us live well, while most of humanity is close to the breadline. The growing middle classes in the developing world are "enormous markets . . . that are

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going to create opportunities for us all during the decades to come . . . so I'm an optimist about the long term".

His optimism is better understood when framed by the stupendous compensation that goes with occupying Chevron's corporate corner office. Last year he was paid almost \$14 million. It is, novelist Upton Sinclair wrote, "difficult to get a man to understand something when his job depends on his not understanding it". For that kind of money, what would you be prepared not to understand?

By coincidence, the morning before that

interview was broadcast, Paul Gillespie's column in this newspaper on the financial crunch was headlined, "Why so many failed to see the crisis coming". It was a telling dissection of the collective herd-think that allowed entire countries – including our own – to be bankrupted by the plutocrats and chancers who engineered a speculative bubble.

The media, for instance, was collectively paralysed, reduced as he puts it, to the role of corporate stenographers by a confluence of factors. Politicians, economists, academics and regulators were almost all caught in the same self-reinforcing reverential stupor. JK Galbraith's injunction not to confuse insight and intelligence with the possession of large amounts of money was clearly forgotten. Euphoria does that to people.

The shocking forecast published yesterday by the Economic and Social Research Institute that huge job losses will occur this year was a wake-up call from our reverie; so too was the report earlier this week from the Environmental Protection Agency projecting serious climate-driven effects ahead. We now urgently need to plan for adaptation to and mitigation of the most severe of these changes. But where now will the billions to do this come from?

Experience, a sceptic once remarked, is the process of making the same mistakes, but with increasing confidence. As O'Reilly's interview the day after Gillespie's article illustrates, absolutely no wider lessons have been learned from the financial disaster.

For me, the most intriguing aspect of the interview was that Murray, one of the sharpest reporters in the business, managed to complete an in-depth interview with the head of an energy corporation without once pausing to ask him about the wider effects of burning all that oil.

There's an old German adage to the effect that "things whose existence is not morally possible cannot exist". We were all vaguely aware that a housing crash was on the cards, but since so many of us felt personally wealthier as a result, why rock the boat? Besides, as George Lee and David McWilliams know well, everyone hates a party pooper.

As with the financial markets, the harbingers of systemic environmental collapse circle ever closer. In this media-saturated age, the job of fencing this knowledge off from the "real world" of our day-to-day lives means burying our visceral angst that little bit deeper. Everyone is doing it, especially the media. I'll return to the subject of eco-anxiety next week.