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Dear Mr Lambert,

Re: need for a sophisticated approach to business-university collaboration

We are writing to you in your capacity of reviewing the links between business and universities. We understand that the formal consultation period for your review has closed, but we are hopeful that you might still be able to take our comments into account.

We enclose a copy of our report, 'Degrees of Capture', which examines the relationship between Britain's universities and the oil industry, and how this relationship impacts on the economics of the energy market. The key finding is that business-university collaboration pursued crudely (on the assumption that all collaboration, and indeed all business, is necessarily a good thing) can in fact conflict with other areas of government policy – in this case, energy policy.

You may have seen the Energy White Paper published in March by the Department of Trade & Industry. In order to prevent dangerous levels of climate change, the White Paper set a target of reducing UK emissions of carbon dioxide (and hence reducing our use of fossil fuels) by 60% by 2050.

The most recent report by the Intergovernmental Panel on Climate Change found that global average temperatures are likely to rise by between 2' and 6'C over the next century – causing widespread ecological disruption and economic damage, as well as threats to human health and the creation of many environmental refugees. The government's Energy White Paper estimates that each tonne of carbon emitted to the atmosphere causes £70 of damage – a unit cost that is increasing by £1/tC per year. Global emissions amount to 6 billion tonnes of carbon per year.

On the other hand, academia plays a key role in developing the technologies and skills which serve the economy – as I am sure your review will emphasise. In the case of the oil industry however, this latter role conflicts with the imperative to prevent climate change.

Our 'Degrees of Capture' report finds that already a huge amount of university research resources are devoted to developing technologies and exploring new geological zones for the oil industry. According to our analysis, by expanding the available resource and lowering costs, further research into oil and gas technologies and geological exploration enhances the competitive position of these fuels relative to their alternatives – such as renewable energies. In essence, it undermines the needed transition to a Low Carbon Economy, as set out in the Energy White Paper, and commits greater quantities of carbon to extraction and emission into the atmosphere, causing more climate change.

Meanwhile, many degree courses are increasingly being skewed towards simply servicing the oil industry's training needs. The oil industry now expects much of the training of its new recruits to have been paid for by the taxpayer, rather than providing the training itself. By acquiescing in this, government policy is helping to build up the skills which take the economy in the wrong direction, in relation to climate change.

If higher education is to be geared to supporting the needs of business, it is essential that this objective is qualified by the need not to undermine other areas of policy, and indeed major societal concerns. It would be a mistake to pursue the goal crudely, on the assumption that all university-business collaboration is necessarily a good thing.

Yours sincerely,

Greg Muttitt
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