

Rt Hon Patricia Hewitt MP  
Secretary of State  
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4<sup>th</sup> March 2003

Dear Secretary of State,

## **Re: need for 'joined up thinking': science policy and climate change**

We welcome last week's Energy White Paper; in particular, the target for the UK to cut its emissions of carbon dioxide by 60% by 2050. We are writing to draw your attention to an area of science policy – under DTI's responsibility – which may conflict with that target, and to request your intervention.

We enclose a copy of our new 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 report finds that the current balance of university-based energy research and development (R&D) increases our dependence on fossil fuels, and actually undermines the development of renewable energies. Oil and gas R&D, subsidised to the tune of £40 million by government departments and Research Councils, dwarfs renewable energy R&D.

If renewables are to penetrate the energy market by competition with existing energy sources, reduction of the costs of renewable energy sources themselves is not all that is required. It is their *relative* cost (relative to conventional energy sources) rather than their absolute cost that is relevant. Thus work by universities to improve the economics of oil and gas in fact worsens the economics of their alternatives.

Quite rightly, the White Paper calls for a phased transition from fossil fuels to renewable energy sources over a number of decades (although we believe a more optimistic target could have been set). In order to achieve this transition, it is necessary to establish a strategy for that long period. 'Degrees of Capture' finds that R&D is almost all focused on finding, and developing the technology to exploit, *new* resources, while training of students in industry-relevant disciplines equally looks to the future in its skills provision. As a first step toward reducing the use of fossil fuels, this pre-exploitation phase of fossil fuel development (which takes place in universities) must be cut back.

Furthermore, it would also be in the interests of competition and innovation for government support to be focused on small, nascent industries, such as renewable energy, rather than mature, profitable industries such as oil and gas. The fossil fuel industry has the resources to fund R&D by itself, while the renewable sector is dependent on initial investment to get established.

'Degrees of Capture' also finds that only about 7% of oil-focused R&D deals with safety and environmental aspects of oil production.

We request that you review the funding of energy R&D by the Research Councils (mainly NERC and EPSRC), by the DTI itself, and by other government bodies, with a view to phasing out all subsidies for fossil fuel R&D, with the exception of those which directly relate to mitigating the negative environmental and safety impacts of operations.

More broadly, we believe that the underlying reason for this conflict is the unqualified gearing of science policy toward 'wealth creation'. It is imperative that these goals do not take precedence over other policy priorities. We therefore request that you revisit the 'wealth creation' objective of the Research Councils, and add a higher-priority objective of 'advancing the public interest'.

We look forward to hearing what action you and your colleagues in the DTI will be taking to ensure that energy policy and science policy are coordinated.

Yours sincerely,

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PLATFORM

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Rebecca Spencer  
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