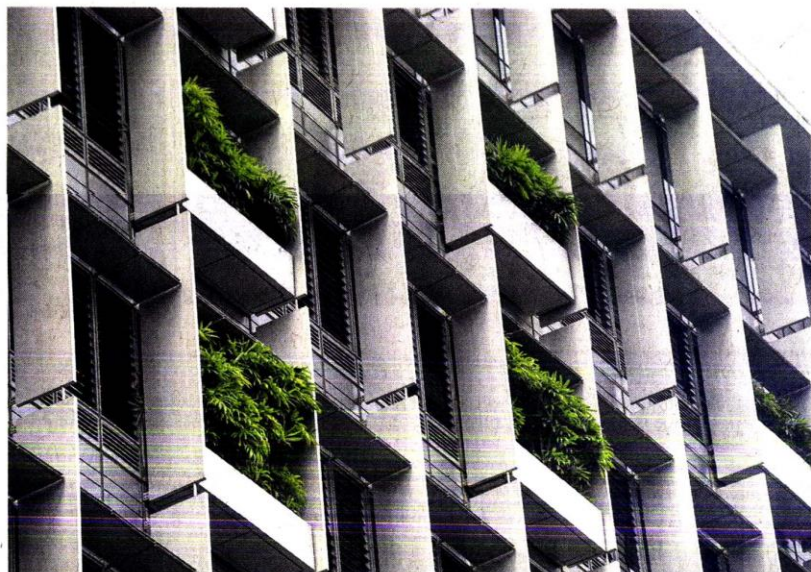


Singapore's climate action: It is time to be more ambitious

Some nations have declared net-zero carbon emission targets by 2050. Businesses and the people here know Singapore can punch above its weight. The government should lend its support. **BY WINSTON CHOW**



New buildings and districts should incorporate Building and Construction Authority Green Mark benchmarks for energy efficiency and sustainability.
BT FILE PHOTO

For the first time, climate change concerns dominated the top five long-term global risks among surveyed business leaders, investors and policy-makers at this year's World Economic Forum Annual Meeting in Davos, Switzerland.

The concern in the business world about climate impacts has been matched by recent actions by prominent investors. In January, BlackRock – the world's largest asset management firm – announced it would make climate change and other sustainability issues a cornerstone of its future investment strategy.

Last March, Norway's Government Pension Fund Global – the world's biggest sovereign wealth fund worth US\$1.1 trillion – announced that it would divest more than US\$13 billion of investments from coal companies and oil producers. The reshaping of global finance and business in the age of climate change is just as important as the vocal activism of a youth movement, associated with Greta Thunberg, calling for global action commensurate with a climate emergency.

The urgency from these private citizens has also spurred several governments into long-term climate planning. Some nations – the United Kingdom and Portugal being notable examples – have also publicly declared net-zero carbon emission targets by 2050 and are on their way to achieving that ambition.

Is there a similar level of urgency among the three Ps (public, private and people) in Singapore?

We know the government has strongly committed to adapting to climate change impacts. Prime Minister Lee Hsien Loong spoke of these measures at last year's National Day Rally, and committed at least S\$100 billion to coastal protection programmes to fight against the rise in sea level.

But this action alone is insufficient: Adaptation is akin to medication that only deals with the symptoms. We need stronger medicine treating the cause of climate change through climate change mitigation.

Essentially, the amount of carbon emissions emitted by humans must be balanced by carbon extracted from the air for mitigation to occur. It can be done through rapid global decarbonisation of existing emission sources, most effectively through lower carbon consumption, and transitioning from fossil fuels to renewable energy generation.

So far, Singapore's climate policies mainly increase the efficiency of carbon emissions generated relative to gross domestic product, with the intention of stabilising total emissions around 2030.

Much research and development (R&D) has been invested in solar energy generation, together with legislating a small carbon tax – currently S\$5 per tonne – on large carbon emitters, and collective en-

vironmental campaigns on climate action and waste reduction. Laudable as these policies are, especially in relation to the inaction of other nations, Singapore's mitigation policies can do with more ambition matching investments in adaptation.

For instance, even with proper management of revenue generated from the carbon tax towards mitigation projects, and with the projected increase of the tax to S\$10 or S\$15 per tonne in 2030, the carbon tax is arguably still too small to facilitate the decarbonisation required.

Further, current policies do not reflect growing local cognisance of climate change threats. Last September's well-attended SG Climate Rally, organised by youth who would face the consequences of climate inaction during their prime years, could be seen as a turning point of local climate change awareness. The rally's turnout was aligned with a National Climate Change Secretariat survey last December, indicating that almost four in five Singaporeans polled are willing to bear additional costs and inconvenience as consumers to ensure a low-carbon future.

TAKING ACTION

On top of urgency for more climate action from the population, noteworthy actions taken hitherto by the local business community also reflect the desire for more visible public action. This issue was formally discussed in a recent City Dialogues session hosted by Singapore Management University, examining urban sustainability in the age of climate change.

Last October, around 60 influential local and international stakeholders from the private sector, academia and the government discussed how considering sustainability in businesses can minimise climate change impacts and generate growth. During the dialogue, firms understood that sustainability – defined not just as long-term economic growth, but also prioritising environmental stewardship in their operations and planning – was critical as industries and economies ultimately depend on the health of natural ecosystems.

A desire for economic growth at the expense of the environment cannot override the need for sustainable practices. Indeed, systemic consideration of more efficient operations throughout the entire supply and value chain reduces both waste and carbon emissions, and could increase revenue through cost savings.

More fundamentally, there was growing acknowledgement among businesses that sustainability, like the digital revolution, is an industry disruptor. Firms must adapt and move towards sustainable practices sooner rather than later, as the upfront costs of responding to sustainability challenges today will ultimately be cheaper than doing nothing.

To effect real and cascading change, environ-

mental stewardship also involves being a sustainability "evangelist" to other corporate partners and consumers. Clearly communicating a firm's environmental actions will transfer knowledge of sustainability to other stakeholders, potentially starting a virtuous cycle.

For instance, the recent move by Temasek Holdings to explicitly consider climate risks in its investment portfolios – and to be carbon-neutral in its local operations this year – as well as OCBC Bank's move to divest from highly-pollutive coal projects, send a strong signal in their respective industries about environmental sustainability.

Another key point raised during the City Dialogues was that the government cannot merely keep pace with general business sentiments.

More aggression in implementing whole-of-society sustainability initiatives relevant to climate change mitigation is needed; this enables firms, from large corporations to small and medium-sized enterprises, to thrive in the long term while reducing emissions immediately. It can do so by investing in and legislating infrastructure supporting sustainable lifestyles and production methods.

Singapore still lacks segregated infrastructure for waste, which deters proper recycling. New buildings and districts should also incorporate Building and Construction Authority Green Mark benchmarks for energy efficiency and sustainability.

The government can also deeply collaborate with local businesses to ensure that a sustainable transition from carbon-intensive industries can anticipate and provide new employment opportunities, as well as minimise job losses and impact on livelihoods.

This point applies to the "elephants in the room" – the locally-based petrochemical and data centre industries currently consuming and emitting disproportionately large carbon emissions. While emissions from these sectors can be reduced with a significantly higher carbon tax, there is justifiable concern that too high a tax will spur these industries to leave for other states with weaker climate legislation than Singapore, likely resulting in a net global carbon increase on top of local job losses.

Instead, a well-judged carbon tax rate and effective revenue management focused on future R&D innovation, either towards capturing carbon emissions or in more efficient server operations, will likely enhance local decarbonisation down the road.

The concern of jobs being affected by decarbonisation can be allayed by proactive sustainability policies, such as training new skills for the existing workforce in these industries in the short-term, as well as long-term action by institutes of higher learning in educating their future graduates on adjusting to a low-carbon future.

The key conclusion of the Intergovernmental Panel on Climate Change's *Special Report on Global Warming of 1.5 °C* states that keeping to this threshold "requires rapid, far-reaching and unprecedented changes in all aspects of society". More ambitious climate action by the government is timely, and there is an opportunity later this year, when Singapore updates its 2030 climate pledge as per the Paris Agreement.

In this case, a stronger pledge – perhaps explicitly focusing on policies aimed at bringing cumulative emissions towards a net-zero carbon vision – will reflect the current reality that two of the three Ps in Singapore want more ambitious action on climate and sustainability. This strong business and public groundswell understands that Singapore is capable of punching well above its weight in local and international climate mitigation. The government should take the lead with its support.

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