BLOGPOST

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Why ICT is the real (green) deal for Europe
The case for European tech confidence on climate change

By Luis Neves and Alessandro Gropelli

Most of us reacted with shock when reading the latest scientific evidence on climate in the Intergovernmental Panel on Climate Change (IPCC) report, which rang the alarm bell on faster global warming and irreversible rise in sea levels. We should not be shocked, in fact, as all the science behind the August 2021 report is known for many years. Most of us were just distracted.

The IPCC alarm struck a note with million citizens across Europe this summer, as we experienced the dramatic human and economic costs of climate change: from the floods that devastated Germany and Belgium to heatwaves feeding fire in Greece and Italy.

With realism and confidence, we explain here why we think Europeans should be reasonably optimistic and why technology and industry could play a more active role in slowing climate change.

Europe as a global player

For all the talks about our Continent trailing China and the US on many issues, there is no doubt that the EU has built climate leadership over the past decades. Just before summer, the European Commission has taken a further step with its latest package of legislative and policy measures aimed at “*reducing net greenhouse gas emissions by at least 55% by 2030*”.

There have been positive as well as critical comments, but nobody can deny that the EU, this time, is putting the money where her mouth is. The package appears to tackle the issue at the right level – the systemic one: the stated objective is to trigger a green "transformation" of the European societal and economic model. As this might have significant socio-economic implications, it will be accompanied by European funding and support.

Technology uptake as a key lever

When discussing about how we produce, travel, consume, exercise our citizen rights or live together, the issue of digital transformation cannot be underestimated. For two reasons: not only we believe it will significantly accelerate the achievement of net zero, but also we think it will contribute to virtuous cycles at the socio-economic level.

As to becoming carbon neutral, faster, we acknowledge that different studies currently point to different measures for the enabling potential of the ICT industry. Some estimate around 15% reductions of carbon emissions and others up to 20%. While precise numbers differ, they converge on the (positive) direction of ICT uptake and the magnitude of carbon savings remains too big to be ignored. Also, ETNO, GeSI and other stakeholders are actively working with the European Commission to find a solid and shared methodology for calculating the enabling potential.

As to the socio-economic aspects, the numerous opportunities have been described in several reports by leading global institutions (e.g. UNCTAD) as well as in the GeSI-Deloitte report "Digital with Purpose". Widespread uptake of ICT is the key policy lever to sustainably transforming a range of human activities, such as the access of citizens to public services, consumption, manufacturing production models as well as transportation and logistics.

Industry as part of the solution

The time in which corporations saw CSR and sustainability as public relations is gone. Some companies though have not understood this yet: beyond well-deserved public criticism, what they will likely suffer is a wave of existential threats to their business models.

Instead, we see major companies starting to change course and showing concrete steps to an integration of sustainability into their strategic choices. The good news for both those companies and society is that there are very strong incentives – and concrete benefits – for them to do so.

From our observation point, we can see this happening across the technology and telecom sectors. When we look at the environmental aspects, there is a clear pressure to slash costs as well as emissions. This means, for example, that cloud companies strive to dramatically reduce the energy usage of their data-centres, while telecom operators increasingly resort to renewable energy to power their antennas and base stations. At the aggregate level, we already see concrete results:

the carbon intensity of European telcos in 2019, for example, saw a decrease of emissions to 27 grams per EUR earned from 29 grams in 2018.
In addition, climate change is seen as a very real threat to several lines of business. This summer, for example, German and Belgian telecom operators had to intervene to almost rebuild parts of their countries' networks, destroyed by the August floods. This is leading us to urgently tackle the issue of infrastructure resilience, as severe disruptions appear to become more frequent.

The level of existential threat posed to businesses across sectors and geographies is probably the most powerful evidence that industry should be seen as a part of the solution to the climate change equation. Some companies have taken strong steps to prove their commitment – for example by amending their bylaws to include sustainability among the corporate objectives – and many more will have to do it soon, as they face the harsh reality of the IPCC report.

Through the Digital with Purpose Movement, we are committed to help them prove, with concrete steps, that they are taking action to do the right thing for the planet as well as for their business.

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