



## Industry Leaders Seem to be Showing More Openness to Energy Descent Issues

Posted by [Gail the Actuary](#) on May 4, 2010 - 10:17am

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*This is a guest post by George Mobus, who is an Associate Professor of Computing and Software Systems at the University of Washington, Tacoma. His blog is [Question Everything](#).*

I've spent the last two days at the [Institute for the Future's Ten-Year Forecast](#) retreat in Sausalito, CA. The attendance list for the retreat reads like a "Who's who" of corporations (and a number of vice presidents from those companies), but includes governmental officials from all over the world who have a hand in strategic planning.

There were a few of us academics as well. At this retreat, I introduced ideas relating to peak net energy, and the possibility of major changes in the years ahead. I found industry leaders much more open than I had expected to listening to and understanding our energy predicament, and talking about what may be ahead. In this post, I would like to tell you about my experience.

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### The Retreat

My role was to report on the energy picture (which was linked with the carbon issues in climate change). I was asked to be provocative, which I found easy to do after just having read David Korowicz's Tipping Point paper [[here](#) (pdf)] and on The Oil Drum [[here](#) (html in a series in reverse order)]. This started with a set of "lightning" rounds, each only five minutes long, to frame the issues and provoke thinking. That was followed by breakout sessions where those of us who gave the lightning rounds led group discussions about our particular issues.

The covered issues were: The Carbon Economy (my piece), Cities in Transition, The Water Ecology, Adaptive Power, and Molecular Identity. The Institute staff had developed a number of scenarios for the future related to signals (signs of change) that they have been tracking on a global basis. The scenarios included Growth (what we ordinarily think of as BAU), Constraint (more or less self-regulation of society), Collapse (a theme often voiced here!), and Transition (essentially adaptation and mitigation in all of the issue areas). The genius behind what the Institute staff did to relate all of these was to generate potentials for actions by adding a third dimension to the discussion in the form of motivations: Happiness, Resilience, and Legacy. The whole meeting became a group exercise in identifying actions in these three dimensions and at least hinting at the system interrelationships.

You might be interested to know that my breakout session ended up being the largest subgroup, with about 25% of the participants, indicating that I had been successful in provoking interest and that many of the participants were indeed very interested in energy issues. Carbon took a back seat. Concern for finding ways to reduce CO<sub>2</sub> emissions seemed a lot less immediate compared to

## Lightning Round Presentation

Below I show my lightning round presentation. I had to get the message across in just three slides and the words that went with them. Unlike most presentations on peak oil, where you start out with the bad news and then try to lift spirits with some kind of good news at the end (raise hopes?) I chose the Clint Eastwood movie "The Good, the Bad, and the Ugly," saving the worst to last. I wanted the audience to be nervous at the end!

Institute for the Future: Ten Year Forecast

### The Good

- We possess substantial knowledge about energy and the economy
- We have recognized the problems
- We have the tools of systems science

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Institute for the Future: Ten Year Forecast

### The Bad

- Peak energy is at hand
- Energy return on energy invested (EROEI)
  - Fossil fuels – going down
  - Alternative (renewable) – inherently low
- Gains in efficiency follow the Law of Diminishing Returns

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## and the Ugly

- Net energy already in decline?
- Economic activity is directly linked to net energy
- Efficiency improvements require energy investments
- No conceivable build-out rate for any combination of alternative sources
- Permanent contraction? The “worst case scenario”

George Mobus University of Washington Tacoma

## The Good News

I was prepared for what I assumed would be the typical blow back from a crowd who I presupposed were committed to profits, growth, and the whole western capitalism ideology. As I watched the group gather for my breakout session, I grew nervous. The size of the growing group led me to think I might be in for a real show down.

As the questions started to come in, I realized that nothing could be further from the truth. The overwhelming sentiment seemed to be one of grasping the principles followed by concern for the implications. I had told them that society would soon run out of energy to keep the kind of consumer-oriented, high powered economy going and they were acknowledging that they basically got it. Incidentally, one of the client companies is one of the world's largest cruise ship enterprises. Another is a major ground delivery service company. Fuel is an important issue to them as you might imagine.

Companies like these are concerned with international business and profits from sales all over the world. Governments are concerned with revenues that they get from taxes on incomes of companies and individuals. All have developed their revenue generation models based on cheap energy, so my message was not welcome. But it was also not rejected (actually there was an investment banking representative who was a bit dismissive, telling me his analysts had assured him there would be no problem until 2030 to 2050). Instead the prevailing attitude was one of "OK, so what can we do to plan for this?"

Of course there were the usual questions about alternative energies replacing fossil fuels; I didn't raise their hopes with my answers to that. There was some discussion about natural gas filling the demand vs. supply gap for fuel; I explained some of the important caveats on the developments of natural gas wells. But by and large there seemed to be an overall sense of acceptance of the predicament. I even saw a number of heads nodding in agreement when I explained how the financial crisis of 2008 to the present was triggered by the oil price spike and that the bubbles that existed had been driven by the growing gap between real wealth and paper (phony) wealth based on declining net energy flows vs. gambling on our future ability to pay back all the debt

So the good news for me was that so many high level executives, thought leaders in major companies, and governmental officials charged with thinking about the future were open to the possibility that the collapse scenario (of the economy as we know it) would be brought about by the decline in net energy flow. Of course this was a small group compared with the number of companies still out there, presumably planning on futures based on growth and increased profits because they think the world will just go on as it has forevermore. These people were presumably at the retreat because they already understood that the world was changing in fundamental ways, and they were looking at the Institute to help decipher the signs.

## Confirmed Impressions

For the balance of the day, yesterday, and this morning, I had several opportunities to confirm my first impressions as during breaks, at a wine reception, and at meals many people came up to me to thank me for being so direct and blunt about the future challenge. A number of executives engaged me in extended conversations with respect to their companies and what a decline in fuels or net energy would mean for their long-term operations. I don't remember ever collecting so many business cards at one event as I did over the last two days — cards proffered on me by executives who expressed an interest in knowing more.

During another, more free-form breakout session, a number of us had a very frank discussion about the problems with capitalism and profit motives and how the culture of corporations is at direct odds with achieving a sustainable future. I was amazed to hear these executives express what I consider extraordinarily enlightened understanding of the fundamental problems. Of course, those same executives are hard pressed to go before their boards and state as much. There is still a very long way to go.

Nevertheless, this experience was heartening. I came prepared to be booed and have rotten tomatoes thrown my way. Instead we saw contemplative consideration of the issues. Kathi Vian, Director of the Ten-Year Forecast program, told me that she had been amazed at the reception that these executives and minister representatives had expressed for the basic ideas in the forecast (esp. even considering Collapse).

She contrasted the attitudes with those of the last retreat when most people were more optimistic about the future. They had convinced themselves that some technological solution to carbon pollution would be found, and a vigorous carbon trade market would solve all problems. She had been anticipating some push back to the way the current forecast had been framed. Instead, she too was gratified to see the openness that participants had for discussing potentially devastating topics. Of course, the purpose for discussing these issues was to seek pathways through the map of challenges to achieve happiness, resilience, and legacy. People were eager to explore those pathways. The purpose of these retreats is to consider solutions to problems. People are still motivated to thrive and find meaning in their activities. No one is motivated to watch a society collapse into chaos or a new “dark age”.

## What It May Mean

I don't want to read anything more into this one experience than is warranted. There were about 100 people at this retreat, an admittedly small sample. Even though they represent some real powerhouse companies, it is but a miniscule fraction of the total of capitalist institutions and their governmental enablers. Bob Johansen, Distinguished Fellow of the Institute, expressed the reality

that the people who come to these futuristic sessions more largely represent "soft power" rather than the "hard power" associated with marketing and finance, let alone the executive control, of their companies. A lot depends on these folks' influence on those centers of hard power.

However, I do think it significant that Kathi's comment and my surprise experience may at least point to something of a beginning of a trend. There seems to be a group who is growing in awareness of the real issues we face today. These people are ones who historically have been committed to the conventional capitalist model (including growth), and who are thinking more seriously about the future. They have noticed that the environment has somehow fundamentally changed, and have become open to conversations that suggest that an end to the capitalistic system is at hand. I suppose for those of us who have been trying to communicate the need to rethink everything (to [Question Everything](#)), this is a cause for hope. We may yet be successful in our attempts to communicate with some.

I am pretty sure that given the motivations of the participants, the message of declining net energy as a new experience for humanity is still not completely absorbed. It seems likely that the implications of declining energy have still not been completely grasped. But there is a nose under the tent! People are aware that something is not quite right with the world and are becoming open to understanding what is wrong and why. That is, I think, hopeful.



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