

Renewable oil companies

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The entry of oil companies into the realm of renewable energy could present major obstacles for the development of a sustainable economy that is not based on carbon resources, according to a report in the *International Journal of Green Economics*.

Jack Reardon of the Department of Management & Economics, at Hamline University, in St. Paul, Minnesota, explains that how the transition from carbon to renewable proceeds will depend on whose values are solicited and whose voices are listened to in the process. He suggests that should the large international [oil companies](#) (IOCs) endeavor to enter this arena in a significant way that will present a possible obstacle to the transition that will preclude the emergence of democratic, distributed and green economics based on wind, solar, and other renewable resources.

Ideally, green economics will see a switch from an energy intensive and consumption-focused society economy that perpetuates poverty, gender inequalities and environmental degeneration to one of sustainability that circumvents the carbon-based energy regime. If, however, present trends continue, then by 2030, global [energy](#) demand will increase 45%, with China and India accounting for just over half the increase and oil consumption will increase from 85 million barrels per day to 106 with all of the projected increase from non-OECD countries and four-fifths of the projected increase from China.

Given such an unrelenting addiction to fossil fuels, it will not be a surprise if energy-related carbon dioxide emissions and the release of

other atmospheric greenhouse gases will increase 45% by 2030. "Arresting this unsustainable and potentially catastrophic increase is a central focus of green economics," says Reardon.

Given the monopolistic and powerful positions adopted by the oil companies since the beginning of the modern oil age in the nineteenth century, it is almost inevitable that their entry into the renewable arena will not be without problems. "A palpable lesson is that if oil companies enter the renewable industry, the latter could potentially be transformed along a hierarchical and centralized structure, which contravenes the widely dispersed and readily available nature of [renewable energy](#) sources, particularly wind and solar," Reardon fears. He suggests that now is the time to "map a democratic and equitable transition."

More information: "The changing structure of the renewable industry - implications for a green transition to sustainable energy" in *Int. J. Green Economics*, 2009, 3, 367-381

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