Economics, not climate summits, will dictate the net-zero transition

World leaders at COP31 show little enthusiasm for phasing out fossil fuels, but the plummeting costs of renewable energy will be the key factor in how quickly we can rein in global warming

By Alec Luhn on November 12, 2026



UK Prime Minister Andy Burnham delivers his speech to the COP31 conference. PA Images/Alamy

The stench of hypocrisy is in the air at the COP31 summit in Turkey. UK Prime Minister Andy Burnham said he wanted to show British leadership on climate action. Meanwhile, his government just green-lit the Jackdaw gas field in the North Sea, which will emit up to 36 million tonnes of carbon dioxide without noticeably reducing energy prices, and it is considering approving the Rosebank oilfield and weakening its electric vehicle mandate.

The summit's joint hosts, Turkey and Australia, are pushing for a clean energy revolution, but this week Turkey announced two new oilfields that would help boost production 30 per cent, while promising to double natural gas production. Australia has recently approved fossil fuel projects including a "climate bomb" coal mine extension that will emit enough carbon to kill an additional 15 million Great Barrier Reef coral colonies during every bleaching event. Meanwhile, the second biggest emitter, the US, is again boycotting the annual climate summit.

While the world shaved more than 1°C off the warming trajectory after the 2015 Paris Agreement, "collective climate action has effectively stalled", and current policies put the world on track for a catastrophic 2.7°C rise by 2100, according to Climate Action Tracker.

But there is one piece of good news. The Global Carbon Budget also just announced that fossil fuel emissions are expected to slightly decrease in 2026 – something that has only previously happened during the covid-19 pandemic, the 2008 financial crisis and the break-up of the Soviet Union. Granted, the 0.4 per cent decline wouldn't have happened without the Iran war oil crisis. But the growth in cheap solar, wind and electric vehicles has offset more emissions than the spike in oil prices.

If clean tech can keep accelerating, "a sustained peak and decline in global CO2 emissions could be a few years away", the Global Carbon Budget report said. This means that economics, not politics, is pushing the clean energy transition forward, despite the failed leadership on display at COP31.

"Policy was never the main driver," says Auke Hoekstra at the Eindhoven University of Technology in the Netherlands. "These technologies are simply superior."

Hoekstra is known for his graphs showing how solar panel production has repeatedly outperformed International Energy Agency expectations. Solar is now providing 10 times more energy than when the Paris Agreement was signed in 2015, making it the fastest-growing electricity source ever, followed closely by wind.

Money talks, and electricity from solar and wind costs less on average than from natural gas or coal. In the US, the top oil-producing state, Texas, where climate denier Donald Trump won a landslide, has also become the top producer of both solar and wind power. In low-income countries like Nigeria and Pakistan, rather than waiting for governments to update expensive and unreliable fossil fuel-based power grids, people are simply installing cheap Chinese solar panels on their roofs, "leapfrogging" hydrocarbon-fuelled development altogether.

The one drawback had been that solar and wind don't generate much energy in the evening during peak demand. But cheap batteries are quickly solving that problem. Utility and home battery storage is now growing even faster than renewable power generation.

Of course, early subsidies and regulations by governments like China and Germany created the market conditions for renewables to start coming down the cost curve. While economics is driving the energy transition, policy can speed it up or, as in the case of Trump cancelling electric vehicle subsidies, slow it down. Governments still provide more than $900 billion of annual support for fossil fuels.

The target proposed at COP31 of increasing energy use from electricity to 35 per cent by 2035 would send a positive signal. The biggest bottleneck to this is expanding the grid, something governments could accelerate at home by cutting red tape and offering subsidies and loans.

Kingsmill Bond at think tank Ember Energy thinks the economics of clean tech will let the world limit warming to much less than the projected 2.7°C by 2100. Exactly how much less depends

on politics. He proposes that energy-importing countries start their own COP, where fossil fuel-exporting countries can't delay progress.

"The old system is just being propped up by legacy policy and ignorance," he says. "We've just got to tear that down."