Book excerpt: The iron law of climate policy

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People will pay some amount for climate goals — but only so much

By Roger Pielke Jr.

In late 2009, Kevin Anderson of the Tyndall Center for Climate Change Research in the U.K. argued that a "planned recession" would be necessary in the U.K. to reduce emissions in response to the threat of climate change. In practice, this would mean that "the building of new airports, petrol cars and dirty coal-fired power stations will have to be halted in the U.K. until new technology provides an alternative to burning fossil fuels."

Similarly, in a comment with more symbolic than substantive importance, Rajendra Pachauri, head of the Intergovernmental Panel On Climate Change (IPCC), argued that restaurants should no longer serve ice water, as an illustration of how we need to change our lifestyles.

Such calls for sacrifice are a fixture in debates over responding to climate change.

Climate policy, they say, requires sacrifice, as economic growth and environmental progress are necessarily incompatible with one another. This perspective has even been built into the scenarios of the IPCC. However, experience shows quite clearly that when environmental and economic objectives are placed into opposition with one another in public or political forums, the economic goals win out. I call this the iron law of climate policy. Opinion polls show that the public is indeed willing to pay some amount for attaining environmental goals, just as it is with respect to other societal goals. However, the public has its limits as to how much it is willing to pay.

The iron law of climate policy reflects a powerful ideological perspective that is deeply ingrained and difficult to displace. It holds everywhere around the world, in rich and poor countries. For instance, in coming years the U.K. faces the prospects of an energy shortage due to the closing both of coal plants (in turn due to laws governing their particulate emissions) and of nuclear power plants (as part of a long-term plan to reduce dependence on nuclear power), leaving few short-term options to meet expected demands for power. Possible measures to increase energy supply include building more gas-fired plants (which risks a greater dependence on Russian gas and all of the accompanying insecurities), building new nuclear plants or putting off closure of existing plants (despite significant public opposition), and building new, cleaner coal plants (despite their carbon footprints).

Of the choice, a U.K. government official explained that in "a decision between building a new coal plant and letting the lights go out — that's a no-brainer." *The Economist* interpreted that comment to signify that "something has to give, and it will probably be environmental targets."

The high prices of oil in the summer of 2008 provided a real-world test of how the global public responds to significantly higher costs of energy. *The Guardian* provided a quick tour of reactions around the world, with protests by Spanish truckers and blockades in Portugal and France over the high fuel costs. In India, police dispersed hundreds of protesters in Kashmir who were angry at a 10% rise in gasoline prices. Similar uprisings were recorded in South Korea, Taiwan, Sri Lanka, Indonesia and Malaysia.

In the face of such political realities, policymakers find themselves conflicted, but they are not confused. They are conflicted because they express a desire to increase the costs of energy while simultaneously expressing a desire to lower those costs. At the same time they are not confused, because when such a trade-off is made, it is inevitably made in the direction of sustaining economic growth.

Gwyn Prins of the London School of Economics called the contortions of policymakers on energy policy "gloriously incoherent" after observing their behaviour at preparatory meetings immediately preceding the 2008 G8 Summit in Toyako, Japan. In a morning session, Prins relates, policymakers discussed ways to lower the costs of gasoline brought on by the massive run-up in oil prices in 2007 and 2008. Then in the afternoon they reconvened to consider ways to increase the costs of gasoline through caps or taxes to address ever-growing greenhouse-gas emissions around the world.

A 2009 U.S. poll helpfully illustrates the iron law of climate policy. The poll asked respondents about their willingness to support a climate bill in the U.S. Congress at three different annual costs per household. At US$80 per year a majority said that they would support a bill. But at US$175 per year, support dropped by almost half, with a majority expressing opposition to such a bill. At US$770 per, year opposition exceeds support by a ratio of about 10 to one.

Some might argue that the poll indicates that the environment and the economy are in fact necessary trade-offs. This would be an incorrect reading. The poll shows that when the environment and economy are presented as trade-offs, the economy invariably wins. The implication is not that such a trade-off is inevitable; rather, any policy that seeks an accelerated decarbonization of the global economy must have economic growth and environmental progress go hand in hand.

Savvy politicians get the iron law of climate policy. Al Gore, for instance, has advocated the U.S. climate bill on the basis that it would cost the American household about "a postage stamp a day." In an early 2009 debate over cap-and-trade legislation, House Speaker Nancy Pelosi argued that "there should be no cost to the consumer." Similarly, Senator Barbara Boxer promised that "any kind of cap-and-trade system that comes forward will not raise energy and gas prices." And to remove any doubt about their intentions, the U.S. Senate voted 98-0 in the first half of 2009 to express its intention that climate legislation would not increase the tax burden on U.S. citizens.

To succeed, any policies focused on decarbonizing economies will necessarily have to offer short-term benefits that are in some manner proportional to the short-term costs. Ultimately, action to achieve environmental goals will have to be fully compatible with the desire of people around the world to meet economic goals. There will be no other way.

Global emissions of carbon dioxide are the result of economic activity and the technologies of energy production and consumption. People in countries around the world expect to see continued economic growth, which means that, all else being equal, emissions will increase. This deeply held global and ideological commitment to economic growth means that for the foreseeable future, efforts to reduce emissions through a wilful contraction of economic activity are simply not in the cards.

Countries worldwide have expressed a commitment to sustaining economic growth, and these commitments are not going to change any time soon, no matter how much activists, idealists, or dreamers complain to the contrary. People will pay some amount for environmental goals, but only so much before drawing the line. That is just the way it is, regardless of whether economic growth measures what matters most to a country's well-being, and regardless of other metrics that might better capture quality of life.

Roger Pielke Jr. is Professor of Environmental Studies at the University of Colorado. This is an excerpt from his book, The Climate Fix: What Scientists and Politicians Won't Tell You About Global Warming, published this week by Basic Books.