

Funding renewable energy is easier than taxing carbon

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Credit: State of the Planet

It is not difficult to understand the appeal of a carbon tax. It's an elegant, straight-forward solution to the climate change crisis. The only problem with it is that it is politically infeasible in the United States and most other places on earth. Last week, we saw the carbon tax once again go down to defeat. Washington's Governor Jay Inslee, a strong supporter of

the carbon tax, was unable to move it through his state legislature, even though that body is controlled by the same Democratic Party he leads. In reporting on this development, Coral Davenport of the *New York Times* observed that:

"Advocates and opponents of climate change action are paying close attention to Mr. Inslee's next steps. Economists broadly agree that taxing the carbon pollution produced by burning fossil fuels is the most efficient way to fight climate change. But politicians agree that it is also a nearly surefire way to get voted out of office. After all, a [carbon tax](#) is, by design, an energy tax. Among other things it would most likely raise the prices that voters pay for gasoline and electricity, which is why the idea has long been seen as politically toxic."

Sometimes the perfect is the enemy of the good, and that is the case with the carbon tax. Economists like it because it is economically rational and in theory can be calibrated to influence behavior. But it is politically unpopular because it is bad politics. It reinforces the idea that sustainability costs money and addressing the climate crisis will require sacrifice and a different lifestyle than the one many of us enjoy today. A better strategy might be to reduce our focus on the dire threats posed by climate change and instead highlight the benefits of clean air, less traffic congestion, more green space in cities, and an energy system that doesn't collapse during storms.

I have long believed that we should work to lower the cost of [renewable energy](#), rather than raise the price of fossil fuels. It is difficult to imagine any politician taking the position that they were against lowering energy costs. I believe that we environmentalists need to stop scolding people for "misbehavior" and start figuring out how to reduce the environmental impact of the things that people like to do. Many folks like their SUVs; it gives them room to transport their families and their stuff without sacrificing comfort. So, let's develop an electric SUV and power that

SUV with renewable energy. Consumption patterns continue to evolve and a lower percentage of young people own cars than did a generation ago, but mobility remains a central American value. Some travel by Uber and bike and some by private auto, but admonishing people to change their preferences to "save the planet" causes some to question the crisis facing the planet. I believe we need to promote sustainability as a better, more stimulating way of life, not as an austere, Spartan, low-carbon lifestyle.

The policies we should push include increased funding for the scientific research that will make renewable energy more efficient, reliable and lower in cost. We should also continue to push for tax deductions and credits that make renewable energy less expensive to use. Let the climate change skeptics advocate higher energy prices. Let's brand renewable energy as the low-cost alternative to dirty, polluting fossil fuels. Let's focus on the visible, short-term negative impact of fossil fuels.

American politics has become increasingly polarized with issues such as abortion, immigration, gay rights and gun control serving as distinct dividing lines between left and right. Climate change appears to be another polarizing issue, although, interestingly, support for clean air, water, and reduced risk from toxicity cuts across ideological lines. Support for environmental protection is stronger among the young and Democrats, but it is a majority in all cases. The same behaviors that pollute the air also contribute to climate change. From the standpoint of political strategy, pushing [clean air](#) is more likely to succeed than pushing reduction of climate change. Mining, transporting and burning coal, gas and oil pollutes the environment in ways that people can see, smell and even touch. Replacing the fossil fuel business with something cleaner and cheaper is an easier sell than raising the price of energy.

The polarization of American politics has become a reflex and a bad habit, although it also seems to be a very good business. TV news used to

be done as a public service provided by the networks in exchange for access to the public airways. It lost money for the networks. CNN and cable news changed all of that. For the first time, news became a money maker. With Fox and talk radio, news became big business. Polarization pays. Watch the bobbing talking heads spout ideological nonsense and talk past each other. How entertaining! Most cable news is actually cable opinion and much of it is superficial and tone deaf. MSNBC has one view of reality and Fox News has another. What if the real world is actually a combination of both perspectives? What if there are shades of gray to this debate and we might benefit from granting the good points made by the "other side"? Defining [climate policy](#) as a carbon tax walks this critical issue right into the ideological echo chamber. It's poor political strategy, and wastes crucial time that would be better spent on more practical policy proposals.

There are people in America who cannot afford to pay a carbon tax, even one designed to somehow return the money that less wealthy people would pay. But more importantly, energy is central to modern life for people of all incomes. If there is no easily accessible, well-understood alternative to [fossil fuels](#), people will continue to use them at the same rate and reduce their consumption of other items. Price influences, but does not determine behavior. If the only way to get to work is to drive, you will drive no matter what the gasoline costs. If you are having difficulty making ends meet, anything that adds to your cost of living is a burden. That burden translates into resentment and political opposition to climate policy. While I believe we need to generate more government revenues for infrastructure, job training, health care and many other critical services, we continue to live in a nation that is largely anti-tax. Linking the solution to [climate change](#) with a tax increase identifies the climate issue with America's least favorite governmental policy: taxation. It also limits the potential change in behavior to only one nation—ours. Until China and India are fully developed, neither are likely to tax carbon. The impact of an American carbon tax on the [climate crisis](#)

might be less than some think. But if new renewable energy and energy storage technologies were developed in the United States, it is easy to see many other nations adopting those technologies.

Linking [climate](#) policy with a cleaner environment and lower cost energy is a more promising approach than raising the cost of energy. The goal that should be articulated is not a reduction in energy consumption, but a reduction in fossil fuel consumption. Globally, overall energy consumption will continue to grow. The more information-based, automated economy of the developed world will also use more energy in the future than today. Given the likely increase in energy use worldwide, it is urgent that we develop new [renewable energy technology](#). The existing technology is useful, but ultimately insufficient. By definition, if a transformative renewable energy technology were available, the energy system would be rapidly transforming. Instead, it is slowly and gradually moving toward renewable [energy](#). Given the political infeasibility of a carbon tax to speed the transformation, we need to rapidly move on to another policy approach.

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