

Climate Change Policy: the Tide of Public Opinion is turning

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Participants at COP10, the international climate policy meeting held last month in Buenos Aires, sensed the need for a change in strategy. As the COP process celebrated its 10th anniversary in December, participants were faced with a growing reality – Kyoto isn't going anywhere. Consider the following:

- Europe is no closer to meeting its targets than it was when this process started.
- There appears now to be a rift within Europe as Italy expresses growing concerns with Kyoto "targets and timetables" approach to reducing greenhouse gas emissions.
- China announced that it would never be party to a treaty that would place restraints on its growth.
- Europe has become increasingly isolated on climate policy. As the COP10 meeting has demonstrated an increasing level of understanding and cooperation has emerged- on adaptation as a solution to climate change- between the United States and the developing world, including large growing economies such as China and India.

The protocol and the tighter targets for developed countries being considered for the post 2012 period are rapidly losing favor as those few covered countries face the real costs - in terms of jobs and competitiveness - of meeting their 5 % (on average) reduction off 1990 levels of greenhouse gas emissions. That commitment typically equals a double digit reduction in energy use emissions in real 2005 terms.

For example, the main organization representing European employers in Brussels, UNICE, recently released a report calling for a new approach: reducing emission intensity gradually rather than the targets and timetable approach long favored by the Greens and EU environmental regulators. (EU business has long been loathed to speak up on climate change policy for fear of being thought "against the environment" and not part of the unwritten social cohesion pact between government and industry.).

At an ICCF workshop held in the European Parliament in November 2004, Members of the European Parliament from 5 member states including Slovenia and Hungary called for a change in EU climate policy so that their countries' economic growth won't be damaged.

Questions or comments?

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In a new ICCF/IEA book, *Climate Change Policies and Economic Growth: What Way Forward to Ensure Both?*, released at COP 10, David Montgomery and Dr. Roger Bate make the case that the only practical strategy for progress on global GHG emissions is to encourage economic freedom and economic growth in the developing world (see the book at www.iccfglobal.org). Simply put, as countries get wealthier, their energy use becomes more efficient and they have more resources to address issues like climate change.

Economic freedom—specifically meaning removing trade barriers and subsidies from state-run enterprises and promotion of intellectual property rights protection—will lead to growth and cleaner environments in the developing world. For instance, if new investment in countries like China and India were as energy efficient as that of Japan or the U.S., we would see substantial declines in carbon emission growth in developing countries where most of the future growth in emissions will occur. Of course, we need continued research and development on new technologies which promote efficiency and reduction in emissions of carbon dioxide.

The Kyoto Protocol and the much tighter emission reduction targets being discussed for the second commitment period for developed countries would slow economic growth globally and have no measurable impact on atmospheric concentrations of carbon dioxide. The developing countries have no intention of slowing their economic development by curbing energy use, nor should they.

The immorality of the industrialized countries attempting to “pull up the ladder” has been lost on the Europeans and on environmental groups like Greenpeace and Friends of the Earth who are pushing Kyoto. It has not been lost on members of the developing world like China, however, whose delegation chief Gao Feng said in Buenos Aires that, “We are a developing country, we’re not yet making international commitments. We will need to increase our energy consumption for the next 30 to 50 years.”

As the COP meeting in Buenos Aires drew to a close, one thing was clear. The Kyoto Protocol will inevitably be replaced by a new framework for addressing climate change: one that encourages economic freedom and economic growth which will lead to gradually reducing carbon intensity per unit of output and overall carbon emissions.

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