

The contrarian

Green war over carbon trading

Neo-liberal environmentalists are selling carbon offsets as a pain-free way to save the planet from global warming. Jon Entine says it's not that easy

You gotta love Al Gore. Straight faced, he offers a guilt-free explanation for operating his energy-gobbling Nashville estate, which consumes 20 times more energy than a typical American home, roughly the annual carbon emission of 20 belching Hummers.

Gore, a spokeswoman says, buys "offsets" – credits sold by brokers to carbon belchers that invest in projects that purportedly reduce greenhouse gases, either by increasing the availability of renewable energy, supporting energy-efficiency in industry or sequestering emissions.

Green Al would have to plant 40,000 trees a year to suck up the carbon dioxide contributed by his home.

I'm not a global warming sceptic, but the antennae do quiver when everyone from the Dixie Chicks to the former UK prime minister Tony Blair insists there is a simple, pain-free solution that allows anti-global-warming activists to continue to jet around the world and drive their BMWs while complaining that the rest of us are not doing our part to save the planet.

Carbon trading has become the favoured plan for neo-liberal environmentalists who profess to believe in a free market as the "simple solution" for global warming. Sales of voluntary offsets skyrocketed worldwide from \$6 million in 2004 to an estimated \$110 million last year. Offset junkies in the US include the Natural Resources Defense Council and Environmental Defense, the same groups that lobbied for energy deregulation in the US on the grounds that it would lower

prices and encourage alternative energy development. We know how that ended up.

On the contrary side is a loose coalition of uncompromising environmentalists, such as Friends of the Earth, and sceptical conservatives who claim, rightly, that the scheme is so hare-brained and easily corrupted that it will do little more than rearrange the deck chairs on the Titanic.

Absolving of sins

Carbon offsets are modern day indulgences sold to absolve the consumption class of its climate sins. It can also lead to perverse unintended consequences. For example, one carbon broker, Climate Care, has teamed up with Land Rover to help new SUV purchasers offset their first 45,000 miles of driving. The programme may actually help sell larger cars with higher emissions, and thus contribute more to global warming.

Carbon credits do not reduce carbon in the air, which after all is supposed to be the goal of this system, and cannot do so unless the whole world signs up, complete with a labyrinthal programme to evaluate and enforce projects. That's not going to happen. No major industrialised country will agree to a system that subsidises developing countries that have been unwilling to invest their own resources on pollution abatement. And major developing countries, like China and India, whose economies are just taking off, will not voluntarily shackle themselves, unless they get a free lunch from the developed world.

There are solutions out there, although they are complex and



not a panacea, as is typical with most real world solutions: a combination of country-by-country regulation and a carbon tax, which would provide some insurance that no country will be forced to cede its competitiveness to countries unwilling to cut their carbon emissions.

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Flexible solutions

A carbon tax offers multiple benefits, including keeping revenue in country, removing international incentives for cheating, and cutting energy use. It's also adjustable, to deal with economic and environmental needs. And by keeping it revenue neutral – offering corporate tax breaks, for example – its impact on the overall economy would be modest, particularly on those with the lowest income, who would otherwise be hit the hardest as energy costs rose.

Reality check: there are no "win-win" solutions to reduce the man-made contribution to global warming, and the sooner we recognise that, the more quickly we can confront the difficult policy decisions that are demanded of us. It takes political will, country by country – and a muzzle on those who promise green but see carbon reduction as everybody else's responsibility. ■



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