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The principle of users pays won't save the planet

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Early in October, Sydney hosted the Greenhouse 2007 Conference. One of the keynote speakers was the colourful Stanford University Professor Stephen Schneider. As South Australia's recent "thinker in residence" Schneider was already known to many Australians for his climate change commentary and for that reason, no doubt, was called upon by the ABC's *Lateline* for an interview on October 2nd. The interview covered many issues but many circled around the toughest of all: who will pay if and when we get down to serious climate change control business?

Lateline host, Tony Jones, was, as usual, not shy with his own point of view: when were the big developing world polluters going to curb their emissions? When would China or India or the rest of the developing world for that matter, cut their emissions and pay their way? Wasn't all other effort otherwise in vain? In Jones' own words:

We don't have the luxury though, do we, of allowing the developing countries to continue to pursue the same consumption trajectory as the United States and the rest of the Western countries did for the past half-century? I mean, don't they have to stop in the world's interest... as we know, China and India have 600 coal-fired power stations on the drawing board to be built between now and 2030. Now, according to Tim Flannery who I'm sure you met at the conference today, if they do that, if they're allowed to do that, build all those coal-fired power stations, it's game over.¹

Behind these questions and claims lies a presumption that permeates mainstream climate change policy discourse to the point of saturation: a presumption in favour of the user pays principle. That saturation is so complete that we barely register the presence of this important principle and its near invisibility marks the profound hold that neo-liberalism has on the western policy – and, it seems, journalistic – imagination. In any event, left undeclared, the presumption in favour of user-pays eludes critical scrutiny most of the time. "Who will pay?" "Why, users, of course." "Is there anyone else?" This principle and the presumption in its favour now quietly but forcefully underpin the largely unchallenged case for carbon trading as the mainstay of climate change management globally, regionally and nationally.

Its claimed merits – that it respects choice and promotes efficiency – remain untested and few are deterred by its very ordinary track record or bleak political prospects on the climate change front. Carbon trading predicated on the user pays principle has seriously restricted the policy horizon by elbowing rival principles – like capacity to pay or the polluter pays principles – aside. Why? Because the larger territory onto which those principles open is forbidden by neo-liberalism: it is territory calling for a more active public authority and for the exercise of independent political judgment.

The Jones-Schneider encounter was intriguing because it brought these principles and worlds into contestation with one another in a way that happens too rarely in climate change policy discussion. Or perhaps, "skirmish" would be a better word than "contestation" – much was left implied. But even as a skirmish it was significant, marking out, as it did, the territory for a much needed and more extended debate.

Jones was dogged to the point of belligerence. It was unconditional self-financed emission cuts in the developing world now or... "game over". And inserted there, the ever so slightly

¹ See <http://www.abc.net.au/lateline/content/2007/s2049315.htm> for transcript of full interview.

disturbing “if they are allowed to”.² Jones should read Chalmers Johnson’ Nemesis Trilogy. Neither China nor India for that matter are waiting for his or anyone’s permission. Schneider, for his part, acknowledged the importance of emission cuts all around but insisted on the need for additional co-operative arrangements between rich and poor that would apportion appropriately larger payment burdens to those who could pay.

Schneider also rightly insisted that rich nations were responsible for an overwhelming share of climate change damage in historic terms. Not just that, average developed world per capita emissions are still around 10 times as high as North American and Australia levels. For him, payment arrangements determined by history, morality and credibility were the only viable and legitimate options.

In other words, Schneider was affirming polluter as well as capacity to pay principles over the more limited user pays principle. For a full account of his position see again the transcript link noted above but the citation below is representative enough:

We have to give alternatives. You can't tell somebody who has lower emissions than you per person, 'I'm sorry, too late, we got there first, we used up our atmospheric space.' Why not work with them on hot tower solar? There's a lot of potential with wind, with efficient transmission lines, with what we call co-generation... That takes capital, that takes skills, that's where we can work cooperative deals and I think we can have their emissions well below where they otherwise would be if everybody was out doing their own thing..... we need mandatory rules but remember, **everybody has to play in the world because we're all dumping our tail pipe stuff into the atmosphere, but not necessarily everybody has to pay, at least at first.** So, we can make deals where they take targets... but we pay a large fraction in the beginning and then we slowly leak back to them their own responsibility as they play catch up with us per capita. (emphasis added)

The bold type distils yet further. “Everybody has to play... but not everybody has to pay, at least at first” Perhaps for the sake of TV drama, Tony Jones held the neo-liberal ground. But, methinks, he did protest too much as, again and again, he rallied to unconditional targets and an unqualified insistence on the user-pays principle. Neo-liberal influence is pervasive. But it just won't happen that way. And the affluent middle class impatience or indignation that the ABC's journalistic culture brings to the debate won't make a jot of difference either – even when, in Jones' case, it is dressed up as the “world's interest”.

But is there another way? Can it happen or work Schneider's way – can we mobilise the resources necessary to the task on the basis of something other than user-pays and the logic of commerce? On the basis of polluter and capacity to pay principles instead, perhaps? On the basis of less self-seeking or go-it-alone competition? Though, again, some of these questions remain implicit. We have to give it a shot, Schneider seems to end up saying. And what else can an honest scientist still say? It will happen with some measure of fairness and decency, of consensus and co-operation, or it won't happen at all.

The discussion below identifies some of the major weaknesses than inhere in market instruments – carbon trading in particular – again noting their neo-liberal provenance. It also begins to argue that the case as a whole retains credibility by misusing the authority of economics to depoliticise and literally de-moralise the questions standing at the centre of climate change policy: How and how much should we pay or how much effort should we make to save the planet and better secure human future given daily worsening scientific intelligence³ – and given that we have our own lives to get on with and other demands on our resources. These I contend are questions for politics and morality and carbon has no price that can light our way.

Why then surrender these questions to economist who abandon science and play at the work of high priests to solve such riddles. In a word, to maintain inequality. The problems of climate change and the co-operative impulses they could unlock as communities seriously discuss and negotiate possible solutions threaten greater equality. The price of carbon and carbon trading are pretend answers that keeps us from the work of moral and democratic decision-making. And whatever else it offers, carbon trading as we know it – and aim to universalise it – appears to offer a way of saving the world that involves minimal co-operation

² This way of speaking points to another unfortunate disposition. on which I have begun to comment elsewhere – See Peter Vintila (2007) Climate Change War or Climate Change Peace at www.postkyoto.org

³ Aarran

and that minimally threatens the world's existing inequalities. That's why its so widely embraced in the West.... And why it won't work.

This article serves as an introduction to a more extended critique of carbon trading as an ideologically skewed climate change policy instrument that needs be handled with extreme caution. The longer piece should appear in the *PostKyoto Journal* in December.