

Toward a Just Climate Policy

By J. Andrew Hoerner

Climate change plays favorites. Not by malice or calculation, but without question. This is the lesson of hurricane Katrina. Global warming makes the entire climate system more energetic. As the planet heats up, you see more extreme events of every kind—rainstorms, droughts, hurricanes and tornados, forest fires, and heat waves of deadly intensity. Warming is forecast to cause massive species loss and the death of traditional lifestyles that are closely allied with nature, from the Arctic tundra to the tropics. The 10 hottest years in history have all occurred in the last decade and a half. Global warming and the greenhouse gases that cause it are already outside the bounds of the last 600,000 years of earth history, and the further we move into uncharted territory, the more likely we are to see sudden, drastic, and unpredictable changes in the basic climate pattern of the world.

And who pays the greatest price for this climatic destruction? Blacks, Latinos, low-income households, and indigenous peoples. They are communities who cannot afford air conditioning to combat heat waves or property insurance to cover against hurricane and tornado damage; people who spend the most on basic necessities and who have no access to health care when tropical diseases become more widespread. While it's true that "working people everywhere" are increasingly being affected by the same problems, the reality is that specific communities are still the first and the hardest to be hit.

Can We Stop Global Warming?

Yes, but it will not be easy. Global warming is an unavoidable byproduct of burning all fossil fuels: coal, oil, and natural gas; and unlike past pollutants, these cannot be filtered out, except at tremendous cost. To halt global warming, we would have to stop using fossil fuels completely for the next 40 years. This will require a complete redesign of our entire energy system and the replacement of fossil fuels with plant biomass and power from the sun, wind, and tides.

With sufficient effort, we should be able to halt further warming and begin a return to the pre-warming state within the lifetime of those now being

born. Global warming will continue to worsen under any realistic policy scenario during our lifetimes. The climate system is huge, and has immense inertia. It took more than a century for a serious warming trend to start and it will take at least another century for it to stop. Famines and other disasters caused by climate change can only be ameliorated with the help of strong international organizations, backed by genuinely committed industrial nations.

When Race Matters in Global Warming

Research shows that Blacks in the U.S., while at greater risk from the problems of global warming, are less responsible for it than Whites. The emission of greenhouse gases from the consumption of all goods is 20 percent lower for Blacks than for non-Hispanic white households, primarily because lower average income causes lower average purchases of energy.

At the same time, Blacks at all income levels appear to spend a greater proportion of their total household budget on energy. This is especially true for households at the bottom 10 percent of the income scale, which spend 60 percent more of their budget on energy. Some evidence suggests that higher home energy use—mainly for heating—is a consequence of poor quality housing.

Latinos also spend a higher proportion of their

budget on energy than non-Hispanic whites at all levels, especially at the lower end of the scale. However, home energy use for Latino households is more similar to that of whites, while motor fuel expenditure is considerably higher.

All Justice is Climate Justice

We believe that all struggles for economic justice—the right to a decent education and affordable healthcare for all, the right to a living wage or better unemployment and Social Security benefits, the fight to build stronger unions and worker rights organizations—are also struggles to reduce the harmful effects of global warming. We are convinced that global warming will multiply the effects of existing injustices and the only way to avoid disaster for our communities and our nation, is through policies that reflect solidarity among all working people.

Extensive economic modeling within the U.S. has shown that policies that hurt the economy hurt the vulnerable communities first and most, while policies that help the economy also help these very communities most. This is best illustrated by trends in unemployment: Blacks closely track whites, but at about twice the amplitude, and are helped more when unemployment goes down.

What is the difference between policies that weaken the economy and those that strengthen it? Just a few key decisions.

“Polluters Pay” vs. Corporate Welfare

Ultimately, we are going to pay more for gasoline and other fossil-based fuels. Fossil energy, especially oil and gas, will be more expensive, because it is running out. And it should be more expensive, because of its harmful effects. But we do have an important choice: we can pay that higher price to ourselves, in the form of pollution costs that finance programs to save energy, manage the transition to new clean sources of power, and provide assistance to households and companies that are most affected. Or we can pay the same money to OPEC and the big energy companies.

There are basically three ways to limit greenhouse gas emissions using market incentives. Under the first two systems, fossil fuel producers are required to

have a permit for each ton of carbon dioxide released into the air by their fuels. The existing system issues free permits based on how much a company has polluted in the past. Under this system, consumers pay higher fuel prices to the companies that pollute the most. The alternative to this system is to auction the permits to the polluters, so the higher fuel prices will actually have the effect of going to the government for public use. A third system is to have pollution fees or taxes, which would have nearly the same economic effect as auctioned permits.

Some environmental justice advocates believe that the real problem lies with permit trading—a view that’s confirmed by our study. Trading systems, such as RECLAIM in Los Angeles, and the offset market under the Kyoto Protocol’s clean development mechanism, have been severely corrupted and abused.

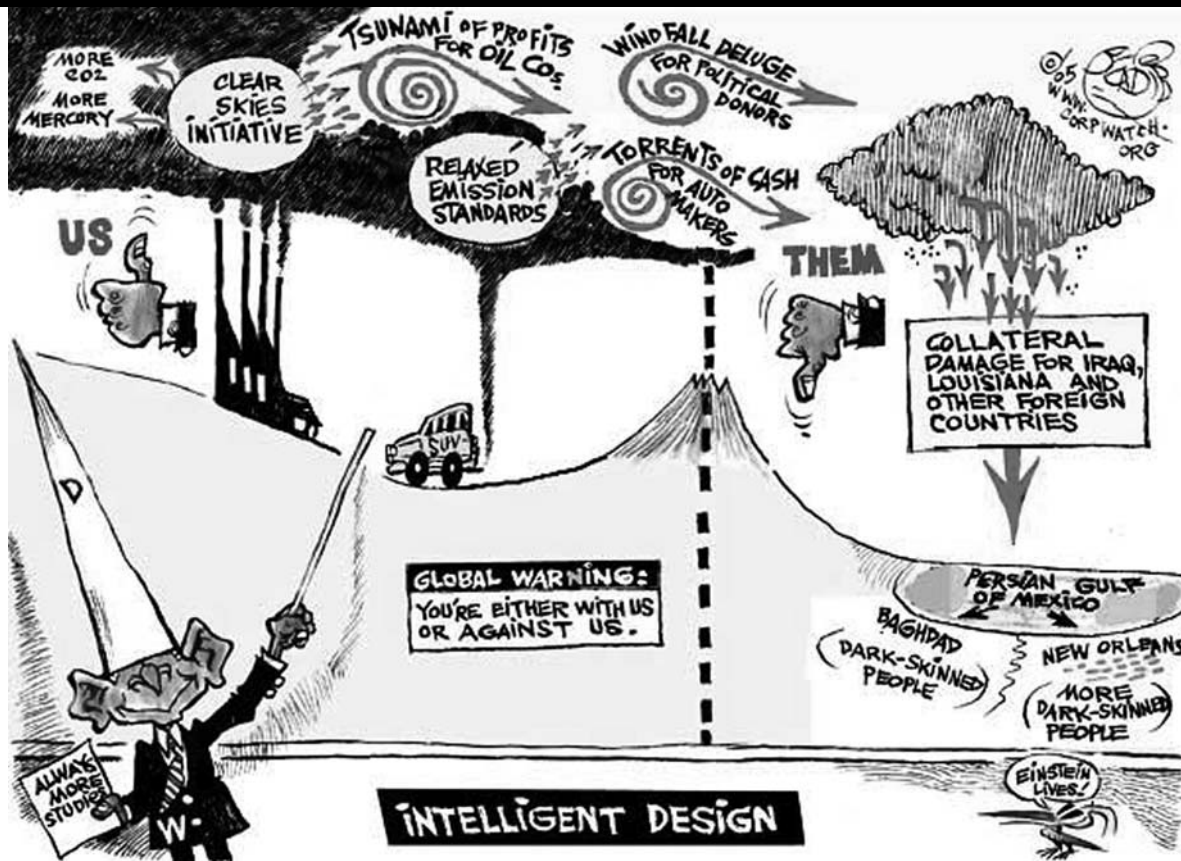
Trading permits per se does not appear to affect the economic outcome as much as the system of giving away permits to historic polluters. If the polluter is made to pay for the permit at an auction or through taxes and fees, and the funds are used wisely, the entire economy can benefit.

Energy Efficiency: The Other 20 Percent Solution

When it comes to environmentally sound economics, offsetting the energy burden goes hand-in-hand with promoting energy efficiency. Although poorer households spend a higher percentage of their income on energy, they still spend less in absolute terms. So, it is possible to fully offset the average energy burden on the bottom 40 percent of all households (through programs like the earned income tax credit) with only 20 percent of the revenues from a permit fee or tax on global warming pollution.

In addition, it is possible to fully offset the burden of a global warming pollution charge on all households by investing a small portion of the revenue on energy efficiency measures, which would have people spending less on energy, even when prices go up. A review of the literature suggests that on average, one can offset all of the additional energy costs by investing only 20 percent of the revenues in energy efficiency.

In effect, then, the average burden on low-income households is offset twice—through direct credits and through energy efficiency. The net result is a



strengthening of local economies through the transfer of hundreds of billions of dollars to communities that have been historically affected by environmentally irresponsible policy, with 60 percent of the revenues still left over for other public spending.

When Emissions Follow Trade, Equity Happens

In putting a climate policy in place, there is always the risk of driving energy-intensive production out of state. And since global warming pollution has the same effect, regardless of where it is generated, a state or nation with a policy can hurt its own economy without getting any environmental benefit. Environmentalists call this problem “leakage.”

One solution would be to treat the emissions as if they were following the goods. Importers would be required to pay a pollution fee or buy emissions permits, just as if the goods were produced in state, and exporters would get a rebate for permit costs or emission charges associated with the exports.

This policy, sometimes called border adjustment, is a feature of consumption taxes like the excise and sales taxes and is allowed under the GATT/WTO rules. It completely eliminates the incentive to move production out of state, thus saving local jobs, pre-

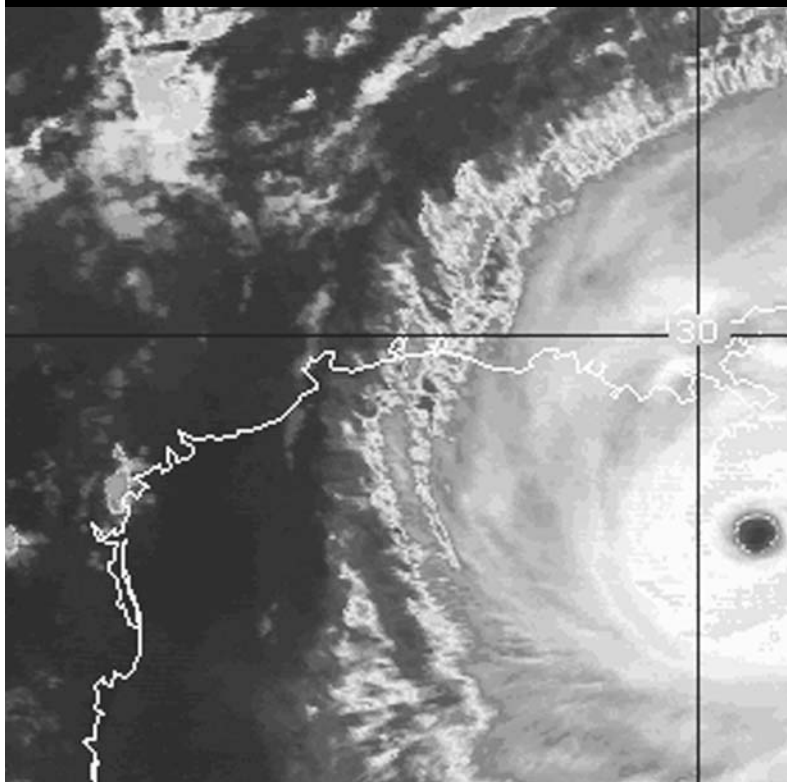
serving competitiveness, and from an environmental point of view, ending “leakage.”

Next Steps: What’s to Be Done?

We can safely say that low-income, non-white communities, while not primarily responsible for the pollutants that cause climate change, certainly bear the brunt of its effects. Some of the costs to these communities can be offset by revenues from pollution permit charges and pollution tariffs on imports, and investment in energy-efficient and clean energy technologies. However, to put in place some of these policies for climate justice, we would first have to spell out a comprehensive political program. The following list of obvious next steps is a start in that direction:

- Recognize the enormous role race plays in the consequences of global warming.
- Work with groups like the Environmental Justice and Climate Change initiative, <http://www.ejcc.org/>, and also with mainstream racial and ethnic justice groups to include climate justice on their platforms.
- Learn the 10 principles for a just U.S. climate policy: www.ejcc.org/ejcc10short_usa.pdf.
- Demand that all state and federal climate legislation include studies of environmental justice

Cartoon: Kahlil Bendib



concerns, and that all climate plans include programs that address the special needs of vulnerable communities and are progressive in their overall impact.

Work for full funding for programs that promote community development through energy efficiency, like the low-income home weatherization program, and support innovative development strategies, like the Ella Baker Center's Green Jobs Not Jails campaign.

Get involved with climate initiatives at the state level. If your state is among those currently developing a comprehensive climate plan with ambitious goals (California, New Mexico, and some New England states), get involved in the planning process, or at the least, demand to know how your elected officials will support the creation of such a plan.

Work with labor/environmental alliances like the Apollo Alliance and the Blue/Green Alliance to draw the connections between racial, workplace, and climate justice.

Reduce your own global warming activities by using tools like the Ecological Footprint Calculator, <http://myfootprint.org/>. Ask your school or place of work about their plans for reducing global warming pollution, and support effective policies.

If you belong to a church, ask your church to take a public stand in support of an effective global warming policy, and send a delegation to your local elected officials to communicate that stand.

Endnotes

This article is based on three detailed analyses done by Redefining Progress, one of which is an unreleased study on climate impacts on Latinos.

You can read the other studies online:

African Americans And Climate Change: An Unequal Burden, a report prepared for the Congressional Black Caucus Foundation http://www.rprogress.org/new-pubs/2004/CBCF_REPORT_F.pdf;

Climate Change In California: Health, Economic and Equity Impacts, a report prepared for the California Air Resources Board. http://www.rprogress.org/new-pubs/2006/CARB_Full_0306.pdf

& the Race, Poverty Environment

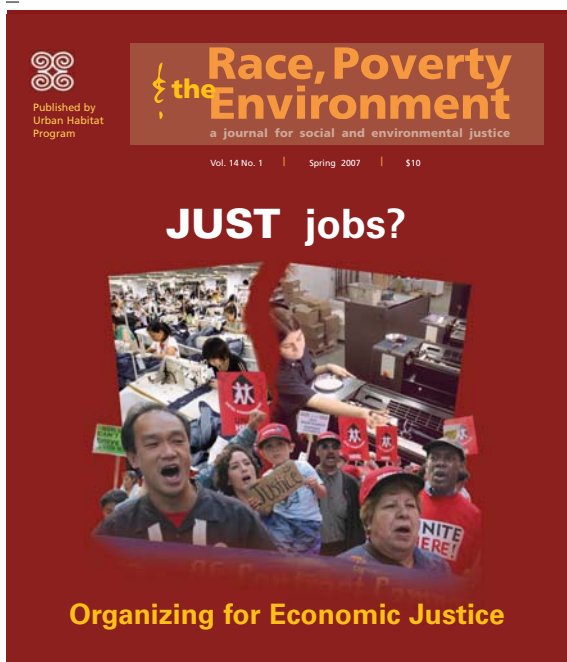
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