

Overcoming the ideology of climate inaction



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Three years ago, the United States achieved a grim milestone: its first climate refugees. With rising sea levels quickly engulfing the small town of Isle de Jean Charles, Louisiana, the Biloxi-Chitimacha-Choctaw tribespeople who have long called it home were forced to move. In the coming years, hundreds of communities across the US will suffer a similar fate, even if greenhouse-gas (GHG) emissions cease immediately.

Despite the consensus among scientists about the causes and dire consequences of global warming, policymakers continue to turn a deaf ear to warnings of the impending climate crisis. Even before US President Donald Trump withdrew America from the 2015 Paris climate accord, the US had not begun to make sharp emissions reductions. The reason, climate activists increasingly argue, is capitalism, or more precisely the neoliberal ideology that has dominated economic policymaking in the West for at least 40 years.

As debates about a Green New Deal heat up, it is critical for the public to understand the role that neoliberalism has played in derailing policies to curtail emissions, phase out fossil fuels, and adopt renewable-energy technologies.

Climate wonks regularly warn that “business as usual” cannot avert climate change. But, while that is true, the phrase itself betrays a neoliberal obsession with making “business” fit for purpose – a tweak here, a nudge there – as if citizens were merely passive subjects of larger economic forces. We all have an active role to play in shaping the economy. But to do so requires that we first shake off the constraints that neoliberal thinking has placed on the public imagination.

Since 1980, the dominant view in Washington, DC, has been that the government should play a minimal role in the economy. As the anti-tax lobbyist Grover Norquist famously quipped, “I don’t want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub.”

The policies that have resulted from this mindset – defunding or otherwise curtailing public investment, deregulating the economy, and decentralising democracy – have prevented the US from weaning itself off fossil fuels. Policymakers from both parties have refused to advocate, or even countenance, public investments in carbon-free alternative energy sources and infrastructure.

The belief that government can only ever impede economic dynamism represents a sharp departure from the Keynesian worldview that dominated policymaking from the 1940s to the 1960s. Policies based on the belief that government spending on public goods complements the private sector, rather than crowding it out, helped the US achieve unprecedented growth in the postwar era.

In a Keynesian economic regime, government interventions are regarded as necessary to solve co-ordination problems, which is precisely what climate change is. Sadly, a brief revival of Keynesian thinking after the 2008 financial crisis was quickly stifled by the politics of austerity across the West,

foreclosing efforts to reduce GHG emissions through large public investments in transportation, green public housing, and research and development.

The second pillar of neoliberalism, deregulation, has also contributed to climate change. When seeking to roll back energy-efficiency standards and rules governing fossil-fuel extraction, politicians love to say they are merely “cutting red tape.” But more often than not, these same politicians have been the recipients of the hydrocarbon industry’s largesse.

Unfortunately, as the climate crisis has grown, so, too, has the pressure to deregulate fossil fuels. For example, in January, a large group of eminent economists published an open letter calling for a modest carbon price (tax) to replace “cumbersome regulations.” Never mind that those same regulations have yielded significant reductions in GHG emissions in states like California. Regulations are also largely responsible for the emissions reductions achieved at the federal level, through programs such as renewable portfolio standards and Corporate Average Fuel Economy standards.

If the US is to have any chance of reducing emissions in line with what the Intergovernmental Panel on Climate Change recommends, appropriate environmental regulation must be recognised as a complement to large-scale public investments and carbon pricing, not a substitute.

The third way neoliberalism has undermined climate action is by shifting decisions from the federal to the state and local level. While local control is useful in some policy arenas, it has exacerbated the tragedy of the commons with respect to climate change. At the same time that neoliberalism prescribes a carbon price as the solution to climate change, it rejects the centralisation needed to make such a policy actually work. After all, the chances that all US states will implement a carbon price are slim to none. The fossil-fuel industry and its lobbyists have long pitted individual US states – as well as individual labour unions and chapters – against one another

by promising to create local jobs in fossil-fuel extraction. The industry has also campaigned aggressively against green ballot initiatives at the state and local level, where it can easily outspend the competition.

So long as policymakers are bound by the straitjacket of neoliberal ideology, there can be no meaningful progress toward addressing climate change, as US Senator Dianne Feinstein recently made clear to a group of young climate activists in a recorded encounter that was by turns condescending and combative. Fortunately, the widespread public support for a Green New Deal shows that voters do not share this ideology.

Still, to achieve the Green New Deal's goal of net carbon neutrality in ten years will require not just an economy-wide carbon price-and-dividend policy, but also large-scale public investment and complementary regulations. Taken together, these measures could mobilise America's latent productive capacities in ways not seen since World War II. Without them, the global effort to tackle climate change will have a snowball's chance in Hell. – Project Syndicate