The Daily Dish

The Real Climate-Change Challenge

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Eakinomics: The Real Climate-Change Challenge
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It is no surprise that climate change has featured prominently in this presidential campaign season. It is disappointing, however, that the most prominent climate proposals thus far are not tethered to reality. They focus almost exclusively on domestic emissions—but that's not where the big challenge lies.

By 2050, 92 percent of increased global carbon dioxide (CO_2) emissions will be from non-Organisation for Economic Co-operation and Development (think developing) nations. This growth in CO_2 emissions will more than offset even dramatic domestic decarbonization efforts. The challenge doesn't simply lie in these countries' emissions, but more directly in whether they can afford aggressive decarbonization efforts: The average gross domestic product per capita for non-OECD member nations is $12,000, less than a quarter of America's $54,500. Reducing emissions is not costless, and some presidential candidates are tripping over each other to have the biggest plan with the most promised spending. But there is far too little focus on whether proposed solutions are viable where they matter most: poorer, still developing nations trying to raise their standards of living.

The numbers around the top candidates' proposals tell the tale. Joe Biden promises an enforceable zero greenhouse gas emission target along with $5 trillion of spending. Bernie Sanders has fully embraced the Green New Deal, yet the environmental provisions of it will cost between $8 and $12 trillion, according to an American Action Forum estimate. Elizabeth Warren also touts her support for the Green New Deal and goes a step further to promise new $2 trillion of clean energy spending. For his part, Jay Inslee is calling for $9 trillion in spending.

A recent AAF paper explains why these plans are misguided. Fundamentally, a realistic

solution for climate change cannot focus just on how wealthy nations can reduce their carbon footprint, but on how developing countries can improve their standard of living—for a growing population, at that—without compromising the environment. To that effect, innovation needs to be at the forefront of climate policy efforts, but, as the recent AAF paper shows, the federal government is expected to spend more on subsidizing wind and solar power than on energy innovation. Obviously, the current priorities of the government as they relate to climate change are not well aligned with the needs.

Bottom line: Beware politicians promising the most expensive and ambitious climate agendas to date, featuring new subsidies, executive orders, and regulations. A serious climate proposal will instead be focused on innovation, deployment, and the commercial viability of new technologies. The goal of climate policy should be finding low-cost ways for everyone to reduce their carbon footprint, rather than implementing expensive ways for only Americans to reduce their carbon footprint.