



The Daily Dish

Reality on Climate

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Eakinomics: Reality on Climate

Axios is [reporting](#) that there is a lot more sound and fury than real progress toward global reduction in greenhouse gas emissions. As Axios summarized it, “‘The high-level pledges over the last year, in particular, have been impressive with major economies such as the European Union, Japan, South Korea and China all promising to get to “net-zero” emissions or carbon neutrality at some future date,’ Victoria Cuming, a senior BNEF analyst, said in a statement. But Cuming notes that countries are generally not on track to meet their shorter-term pledges under the Paris deal. ‘The reality is that countries simply haven’t done enough at home with follow-through policies to meet even the promises made more than five years ago.’”

The question is whether this is the future of the Biden Administration’s climate efforts as well. As has been well-documented, the president recently issued a plethora of executive orders (EOs) (see [here](#)). Most of these set up task forces and other aspirational efforts to address climate change. Time will tell what they yield. Other executive actions have immediate effects. As AAF’s Ewelina Czapla [outlines](#), President Biden has issued two executive orders that temporarily prevent new oil and gas leases on federal lands and in offshore waters. [One](#) entitled “Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis” aims to reverse course from the Trump Administration. The EO places a moratorium on the leasing of the Arctic National Wildlife Refuge (ANWR) land for oil and gas drilling and withdraws certain offshore areas in Arctic waters and the Bering Sea from drilling.

The second “calls for [the Department of the Interior] to ‘pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practices.’ The review may consider the climate costs of activity on leased land and whether royalties should be altered as a result.”

There are several drawbacks with this approach. First, the pauses are temporary and may not amount to any real reductions in the end. Second, even if they do result in directly reducing emissions, the scale is too small to make a real dent in the climate problem. Third, even if the United States makes a significant change in emissions, the problem (above) of global climate remains. And, finally, this sector and project-specific approach is clearly picking losers and creating political pressure to reverse course. In contrast, an economy-wide approach such as a carbon tax would incentivize the populace to identify the easiest and most valuable reductions, which generates economic efficiencies and greater political durability.