

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

For this presentation, I have chosen to provide insight into the problems and solutions associated with climate change from perspectives which you are unlikely to come across by accident.

Who owns the atmosphere?

Because it has always been free, the atmosphere has been used as a waste dump by anyone and everyone - some more than others. The atmosphere's ability to absorb carbon dioxide has become a scarce resource, and therefore very valuable. Our waste dump is running out. What remains will have to be rationed - and the usual method of rationing a scarce commodity is by price.

Why is it so complex to place a scarcity value on our atmosphere's CO2 absorption capacity?

This hitherto free service has been exploited and abused in order to provide civilisation's cheapest source of concentrated energy. The atmosphere's apparently unlimited supply of oxygen and its previously abundant ability to remove gaseous wastes meant that the focus of scarcity (and rationing by price) has been entirely on the fossil fuels. Easy access to the atmosphere meant we could overlook the fact that the ability to dispose of combustion wastes is a very valuable natural resource.

The solution to the problem of our atmospheric waste dump filling up, is indeed difficult and challenging, but it is not complex. It is the common and natural desire to continue having valuable things for free which lies at the root of why things get complicated and confusing. Human beings and their even greedier de-personalised institutions, have an ability to present distorted, complex and conflicting claims which may seem plausible on a superficial level, but often serve to obfuscate presumptions and rorts, intended to benefit one interest group or another.

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

We cannot pretend that rationing CO2 emissions is not an issue of wealth distribution – *it is exactly that*

– just as much as if we were assigning the ownership of fossil fuels themselves. Although there is a bit more to it, the ability to use and control energy is a very good measure of wealth – energy is wealth.

If we are going to start paying for dumping into the air, one of the first questions to arise is – *Who owns the atmosphere?*

The answer is rarely uttered, but is revealed by examining who receives the proceeds of any rationing and who misses out? Thinking globally sometimes requires a bit of mental stretching, but you don't need a brain the size of a planet to know that the air has always belonged to everyone.

Unfortunately, that's where the confusion begins. To me, "the air belongs to everyone" means we are all equal shareholders in the commons which is this planet's atmosphere and we should establish a trust, with scientific advisers and people who know what's going on, to manage and ration the shared resource on our behalf for the common good of humanity.

To others, it means the air belongs to *no one*, so at least some of it will soon be their private property for the purpose of private power and profit.

Then along come various governments asserting that it is their traditional responsibility to manage all natural resources within their borders. No – they *cannot* guarantee pollution from their jurisdiction will not effect others any more than they can control the weather. As with Australia's Murray-Darling Basin, *too many cooks spoil the broth*

, but like our squabbling states, national governments do not tolerate threats to their sovereignty and are unwilling to enact and enforce laws and regulations coming from some external agency, trust or pseudo world government seeking a global jurisdiction to manage a particular global resource. I don't see why they think a World Carbon Authority should be such a big deal, after all, they allow the WTO, IMF and World Bank to have global jurisdiction.

Because nation-states are so precious about their autonomy, we have to have a global climate summit or two, ostensibly to decide which governments own how much of the invisible, scarce and valuable, controversial and unknown quantity which might be called the Global Carbon Budget. When the USA vetoed an early attempt at a carbon tax, the advice from the energy

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

industries of rich nations concurred that Cap & Trade was the way to go. It would ensure future wealth would be distributed according to past exploitation – but don't tell anyone.

The energy industry advisers to rich governments around the world agreed. They are the experts so it must be right. What could be fairer than giving away the most emissions allocations to the biggest polluters? After all, they're the ones who make the energy for everyone else as well as assist government with their unbiased advice. [In case you missed it – this program contains sarcasm.]

Australia was the “lucky country” once again, because 1990 happened to be our peak year for land clearing, so we got a big boost from our high emissions levels. But if you were not a big polluter in 1990, sorry, you miss out.

China and some other countries smelled the rat but went along with a Kyoto agreement which exempted them. Twelve years later, Copenhagen failed because the rich nations held firm to the “reductions” paradigm – which is another way of talking about “caps” – and both are euphemisms for emissions rights based on past pollution habits.

Caps and distributing emissions allocations

Cap & Trade is preferred by major polluters because they want the CO2 dumping capacity of Earth's atmosphere as their private property. What they call “caps” are actually property rights in disguise – tradable rights to exploit the most ubiquitous, collective natural resource of this planet – rights quietly taken away from every person to be assigned to those who have historically abused our atmosphere and generated the climate crisis.

The trick is perpetrated simply by stating the rules of the game as a *fait accompli* and most of the public assume they are not qualified to question what is promoted by economic gurus so long as it sounds at least plausible. The basic pitch goes something like this: -

“Before we start to *Trade*, we must first create scarcity by setting Caps according to how much countries or corporations are emitting at the time, then slowly reduce them. The carbon price *emerges* from the competition for this newly scarce commodity.”

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

As in Hans Christian Anderson's insightful fable, the claims are generally accepted because nobody wants to appear foolish. Our attention is directed away from perceiving that these "caps" are really allocations of valuable natural resources being "enclosed" by the traditional abusers of the resource.

Some of the undesirable consequences of these design features became obvious through the European Emissions Trading Scheme and it has come to be accepted that **giving away valuable assets for free is a rort**

. As a result, policy makers try to create the impression that emissions allocations, or carbon credits, will always be purchased at their current value – except, of course, for the government's special friends who also happen to be the biggest polluters.

The usual justification for handing out free permits is that these businesses are "*trade exposed*" and must be given precious collective resources so they can continue polluting sustainably and maintain their profits for the sake of a handful of jobs and the national trade balance. But why do nations get them for free?

I should mention here that I have some sympathy for *trade exposed* industries in a world where differences in local carbon prices will be exploited for competitive advantage. Although there exist sound and just remedies which do not stimulate an international competitive race to the bottom, gifts and hand-outs by governments are not amongst them. Arbitrary subsidies tend to ensure that every nation will be driven to subsidise their polluting industries.

As much as I prefer to believe random incompetence ahead of organised conspiracy, I find it quite difficult to accept that the designers of such policies can be so consistent in their stupidity by chance alone. I am compelled to conclude it is *they* who believe it is the public who are stupid. Perhaps this strategy succeeds through the concurrence of the media – but who benefits? It always seems to be the fossil energy and extractive industries who profit from the scarcity value of free natural resources.

As I mentioned above, the European-ETS demonstrated that **giving away valuable assets for free is a rort** – yet that is still
exactly the way countries obtain

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

their

emissions allocations. National allocations, targets or caps are assigned according to the principle that the biggest polluters get the biggest allocations because of a deliberate focus on *reductions* instead of emissions.

The same discredited *Polluter Gains* principle which assigned free permits under the European ETS, is the poison at the core of the framework that rich, high-emitting countries keep trying to impose on the world at international forums such as Kyoto and Copenhagen.

There is no House of Commons at these events, nor is there any democratic representation at the UN, so the “feudal lords” ruling the world’s sovereign states are free to divide up the natural and collective wealth of the Earth amongst themselves according to their power and influence – which roughly corresponds with their greenhouse gas emissions in 1990.

I see no fundamental difference between giving away valuable assets to businesses or to countries. There should be no free permits. Instead, sovereign governments should commit to **purchase** their allocations from the traditional owners – who happen to be a tribe of Earth dwellers known collectively as **humanity**.

I am possessed by the conviction that what remains of the carbon budget for human activities belongs equally to every person and this is an inalienable right. I agree with ethicist Peter Singer that no person has a greater claim to the benefits of the atmosphere than any other. At a minimum, a person’s nationality should make no difference to their allocated share of the global carbon budget. However, for the sake of efficient rationing, I believe emissions allocations may be traded amongst persons. We are not merely stakeholders – I believe we are equal *shareholders* in this valuable resource which is the global human carbon budget.

- Everyone on the planet should pay the same price for releasing stored carbon. Whether in fossil fuels or stored in the biomass of forests, anything which decreases the mass of stored carbon increases what goes into the atmosphere and effects the global carbon budget.

- Everyone on the planet should receive an equal dividend from the global sales of carbon allocations. (There may be some unavoidable exceptions, but that’s another discussion.)

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

With these two simple rules – an equal personal dividend and a global carbon price – a person whose lifestyle and consumption releases CO₂ at an amount equal to the current global average will find their carbon dividend is just sufficient to cover their increased expenses due to the price of carbon. Those who emit less than the current global average will spend less than they receive, so they will end up with some income to help them pay for clean development. Those whose lifestyles and consumption choices cause emissions above the global average will be the ones who effectively pay the compensation to the low emitters for the use of their rations.

The global demand for carbon allocations and the rate of growth of clean energy systems will be influenced through the carbon price itself. A recycled world carbon tax will achieve little unless the carbon price is sufficient for clean alternatives to be preferred and their production is stimulated in sufficient quantities to entirely replace the fossil fuel and land clearing industries.

We have to stop listening to speeches about “sharing the reduction effort” delivered with the same sincerity, compassion and logic reserved for projects like *“helping the hungry to lose weight in solidarity with the obese”*

. Instead, we must consider how a finite and extremely valuable global carbon budget for human activities is to be distributed amongst the people of the Earth.

Until the underlying assumptions change to align with justice and equity, there can be no meaningful, lasting international agreement and, therefore, no effective action to avoid catastrophic climate change. The word “only” often indicates the speaker’s lack of imagination, so I say it self consciously: – *only a just and equitable allocation of this common natural wealth will be sufficiently robust for a successful global response* to our shared climate crisis.

Carbon Colonialism and Thou shalt not steal

Since the dawn of colonialism, the collective theft of other people’s wealth has been justified through various rationalisations. At the core is the de-humanisation of victims so they may be seen to be unworthy of moral consideration. An aphorism resembling “Use it or lose it” was applied around the world to rationalise the acquisition of territories on the grounds that a lack of fencing proved that land was unused, unwanted and, therefore, ripe for the taking. In Australia this colonial principle sought legal respectability by calling itself *Terra Nullius*. A similar rationality continues to be applied to justify the extraction, consumption and destruction of many global assets and natural resources. It goes something like :

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

“You’re not exploiting it, so its available for the taking. Very well then – I’ll buy it with these beads.”

That pretty much sums up the attitude of the developed nations regarding the right of their poorer cousins to release increasing masses of CO₂ pursuing their own fossil fuelled road of economic development. It is often thought, but less often spoken, that it is already too late for that. It cannot happen like that, or else we resign ourselves to self-imposed climate chaos. In fact, if we accept the research of Dr James Hansen and the need for the atmospheric concentration of CO₂ to actually fall to 350 ppm by 2100, then there is not enough carbon budget left for *Contraction and Convergence* to work.

The physical inability of rich nations to transform their economies fast enough will mean there will be nothing left from the global carbon budget for the poor. On past performance, the agenda of the rich nations, including Australia, is to take as much of the resource for themselves as possible without having to pay more than “a few beads”. However, I maintain we need the poor of every nation to be justly compensated so they may pursue *clean development*. Not with unreliable, humiliating and inadequate “charity” or self serving “aid”, but through the fair trade of their equal emissions entitlements. Once the global carbon budget is assigned equally to every person, it is very likely the rich will have to pay a fair price for the emissions allocations voluntarily foregone by others.

As a conscious, intelligent species, we could cooperate, do this right and survive with pride, or else we could condemn ourselves to a marginal existence. In the midst of this crucial turning point, all around me, from deep in our cultural memory, out come those traditional attitudes of colonialism:

First in, first serve ; Finders keepers, losers weepers ; That’s the way the cookie crumbles ; It’s a competitive world ; Survival of the fittest ; God looks after those who look after themselves ;

Cultural memes justifying predatory behaviour threaten the cooperation that is now essential for the survival of billions including our children. The “fittest” are rarely the most brutal species – the real survivors are those whose ecosystems remain sustainable, either through luck, or the actions of member species to maintain their ecosystems. It is a time for our cultural adaptation or else we face cataclysmic collapse. If I may get philosophical. I think ethics are the price of consciousness. We must understand ethics or we will inevitably lose everything.

What to do about carbon - Part 2

Written by Richard Corin

Wednesday, 24 March 2010 21:19 - Last Updated Friday, 24 September 2010 19:48

Civilisation is pushing against the limits of this world's resources so it is past time that our culture understood the collective perspective. The air belongs to everyone. When we implement this principle, equitable solutions emerge that are capable of winning the support of every ethical human being. I believe the vast majority of people have a common sense of what is fair and just. *That* majority is the power base for success in overcoming the tragic forces propelling this world towards catastrophic climate change.