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'Yellow Vest' Protests Shake France. Here's the Lesson for Climate Change - "A tipping point for hard-pressed families"

Saturday 8 December 2018, by [RUBIN Alissa J.](#), [SENGUPTA Somini](#) (Date first published: 6 December 2018).

France's suspension of a fuel tax increase after violent protests signaled the perils that governments in wealthier countries may face in setting policies to fight climate change.

PARIS — Vincent Picard describes himself as a "militant ecologist." But when protesters took to the streets to express their rage over a planned increase in France's fuel tax, Mr. Picard joined their ranks.

He acknowledges that the tax might encourage the conservation considered critical for a healthy planet. But with the nearest train station 35 minutes away, he has to drive to work every day.

"I am conscious that we have reached the end of fossil fuels and that we have to modify our habits," said Mr. Picard, a 32-year-old pastry maker from northern France. But, he added, "You have to continue to live."

The gas tax is part of an effort started by France in 2014 to regularly raise the tax on fossil fuels to fight global climate change.

The so-called Yellow Vest protests against the tax increase have become the biggest obstacle yet to such attempts to encourage conservation and alternative energy use. The protests point to the difficulties facing nearly all industrialized countries committed to pulling the world back from the cliff's edge of [catastrophic climate change](#).

France's cancellation of the tax increase this week in the aftermath of increasingly violent protests signaled the [perils and political headwinds](#) that governments worldwide may face as they try to wean their citizens from fossil fuels.

There is little doubt among scientists and economists — many of whom are in Poland for the current round of climate negotiations — that putting a price on carbon is essential in the effort to reduce fossil fuel dependence. The question is how to design a carbon tax, and how to cushion the blow for the most vulnerable.

Many analysts say the French tax was not politically deft, falling hardest on people outside French cities who were already feeling the pain of stagnating incomes and who do not have the same mass transportation options as urban residents.

But successfully passing carbon taxes is an increasingly delicate balancing act, with the biggest single obstacle still the pushback from the fossil fuel industry and its supporters.

Canada, for example, recently offered rebates to offset a planned carbon tax, helping people adjust to the change. But conservatives [have pledged](#) to undo Prime Minister Justin Trudeau's plan, saying it could cause economic damage, and only six of 10 provinces are going along with it.

The French in the past have been far more tolerant than most societies in accepting high taxes on gasoline and diesel fuels. The cost of a gallon of gas in France is about \$6 or more — with taxes accounting for about 60 percent of that — compared with about \$3 on average in the United States, where high fuel taxes have been a nonstarter.

But the French government's tax increase, written into law before President Emmanuel Macron was elected, proved a tipping point for hard-pressed families already laboring under some of Europe's highest overall tax burdens.

Rather than spurring the [effort to cut fossil fuel use](#), the misstep now threatens to set it back.

It angered those who can least afford to pay more to get to work and drop off their children at school. Fossil fuel champions — including President Trump — denounced the tax. And the backlash over it landed with a thud during the critical [United Nations climate change negotiations](#) underway in Poland, which Édouard Philippe, France's prime minister, was forced to skip because of bubbling unrest at home.

More than that, the decision this week to annul the tax increase came after protests nationwide turned violent, causing four deaths and millions of dollars in damage, and injuring more than 250 people.

If nothing else, the maelstrom in France showed that the political challenge of how to create incentives for people to move away from fossil fuels requires much more than raising a tax on gas at the pump or subsidizing solar panels.

The violent blowback by the Yellow Vest movement — named for the roadside vest adopted by the protesters that signals drivers in despair — exposed several failures.

Of the 34 billion euros, or \$39 billion, that the French government is expected to raise this year from the fuel tax, less than a fourth is earmarked for measures that could help people of modest means transition to less-polluting transportation, said Daniel M. Kammen, a professor at the University of California at Berkeley who specializes in energy policy.

Much more of the fuel tax proceeds, Mr. Kammen said, could be used to lower the prices of electric vehicles, including taxis, to help make them more affordable for commuters in areas without public transportation. Or they could be used to develop more charging stations or subsidize big batteries to enable taxis to do long trips.

"So while President Macron has highlighted the need for funds to invest in clean energy, that is not actually what was planned," Mr. Kammen said.

Politically, the backlash came from those who could least afford to give up their cars — small-town and suburban residents priced out of big cities and unhappy with Mr. Macron on a [host of other issues](#) already. It did not help that Mr. Macron had [lowered taxes on the rich](#) in one of his earliest tax code changes.

"This situation illustrates how equity and fairness considerations have to be built into the design of such policies," Alden Meyer, policy director at the Union of Concerned Scientists, said by email from the United Nations climate talks.

What France's experience has made clear, analysts say, is that fuel taxes work best as part of a more comprehensive plan that tries to offset the disproportionate pain felt by lower-income workers who can least afford the changes.

Mr. Picard, the pastry chef, for instance, earns €1,280 a month, or about \$1,450, after payroll taxes. For him, the planned tax increase of 6 or 7 cents per liter of gas "is enormous," he said.

"Imagine how violent this tax is for those people who earn less than me and who are not conscious of environmental needs," added Mr. Picard, who lives in Woincourt, a village of 500 people.

Coal miners carrying a painting of St. Barbara, the patron saint of miners, in Pawlowice, Poland, this week during United Nations climate talks there. Credit: Sean Gallup/Getty Images

But if those struggles are unfamiliar to Mr. Macron, a millionaire and former investment banker, many who study climate change goals sympathize with the Yellow Vests and support making relief part of the package.

"Everybody loves to talk about climate goals and preserving the environment, but nobody is talking about the now," said Vonda Brunsting, a researcher at Harvard's Kennedy School who works on environmentally responsible investment policy.

"Some governments are intent on having ambitious plans for meeting the Paris climate conference goals, but they have to survive politically long enough to put them in place," she added. "Macron and the French government have skipped over the part involving the workers and the community."

Among the forms of help that economists point to are offering subsidies to encourage people to use less-polluting forms of energy, and expanding transit networks rather than closing them.

Another element, especially in France, is increasing workers' disposable income by pushing for higher wages and adjusting fixed incomes for the elderly so that they can better afford energy-efficient technology.

"We are in the transition period and the government has run into political economic problems," said Philippe Aghion, an economist at the prestigious College de France who advised Mr. Macron during his presidential campaign. "So you need to smooth out this period. You need to reach out a hand to help people across the bridge."

He believes a number of countries may have to violate the European Union's 3 percent cap on annual deficits so that they can borrow more to fund their energy transitions.

The cap "was not designed for countries undergoing structural reforms," he said.

Camilla Born, who analyzes energy policy at the research and advocacy group E3G, said that while Mr. Macron could be faulted for not putting in place social measures that would allow French citizens to "ride out the challenges of change," the price of inaction was ultimately far more costly.

"The reason we need to take action," she said, "is because the social and economic costs of climate impacts are far worse."

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P.S.

- <https://www.nytimes.com/2018/12/06/world/europe/france-fuel-carbon-tax.html>

A version of this article appears in print on Dec. 7, 2018, on Page A1 of the New York edition with the headline: French Protests Reveal Clash: Healthy Climate vs. Lower Tax.