

Countering critics of a cap-and-trade critique

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Eight million people viewed Annie Leonard's *The Story of Stuff* video since December 2007, and her new nine-minute *Story of Cap and Trade* [1] received 400,000 hits in the two weeks after its December 1 launch.

The film, produced by Free Range Studios, was developed in collaboration with the Durban Group for Climate Justice and Climate Justice Now! networks, which joined Climate Justice Action and other networks to put tens of thousands of activists on the streets of Copenhagen, London and dozens of other cities in recent days, demanding large emissions cuts, the payment of ecological debt to climate victims, and the decommissioning of carbon markets.

But critics abound, so what trends can we discern from the sometimes venomous feedback to *Story of Cap and Trade*, and what do these tell us about US and global climate politics? Consider three categories:

- * libertarian climate change denialists;
- * Big Green groups and other carbon trading supporters; and
- * self-interested green capitalists.

To start, rightwing extremists are easiest to dismiss because they deny that climate change is a product of human/economic activity - but there's a schizophrenic double agenda. For although they're pro-business, libertarians like Fox tv's Glenn Beck oppose market-based cap-and-trade schemes.

The most dangerous, Oklahoma Senator Jim Inhofe, denies 'that we're going to pass a cap-and-trade or we're going to do something on emissions reduction,' as he told the rightwing NewsMax agency on Sunday.

Australian climate denialists now control the official opposition party, having overthrown its leader last month due to his cap-and-trade endorsement, in the process halting the state's proposed emissions trading scheme [2].

Those of us fighting carbon markets certainly **don't** want alliances with cretins like Inhofe or intrepid videoblogger Lee Doran. After a clumsy rebuttal to *The Story of Stuff*, Doran offered another zany video-attack [3], in which he first agrees with the demolition of cap-and-trade, but then replies to Annie's charge that rich-world overconsumption victimizes those least responsible for global warming:

Annie: 'Did you know that in the next century, because of the changing climate, whole island nations could end up underwater?'

Lee: 'Yes, and islands will emerge from the water too, it's part of the natural cycle of the planet.' (minute 6)

Enough said about flat-earth libertarian ideologues.

In the second group we find both pro-market 'green' ideologues - i.e., 'always find a market solution for a market problem!' - and well-meaning environmental advocates operating under conditions not of their own choosing within Washington's adverse balance of forces.

From at least 1997, when Al Gore shoved cap-and-trade into the Kyoto Protocol with the soon-to-be-broken promise that Washington would then endorse the climate treaty, many greens who earlier criticized market solutions concluded that the market was the only game in town, due to prevailing power relations.

But instead of trying to change those power relations, most of Washington's Big Green groups held their noses and went to work expanding carbon trading from London to the Chicago Climate Exchange, joined by like-minded academics and green policy wonks.

Along the way some turned eco-egotistical about their chosen trade. Eric de Place of Sightline Institute takes the policy critique personally: 'All these years that tens of thousands (sic) of folks like me have worked long hours at low pay (or no pay) to hash out a workable and effective climate policy and it turns out that our purported allies like Leonard would rather paint us as duplicitous bankers in pin-striped suits.'

Notwithstanding the long underpaid hours hustling cap-and-trade - wasted, if judged by the subsequent evidence of carbon market failures - de Place's injured tone is misplaced. As Annie did in fact acknowledge, 'Some of my friends who really care about our future support cap and trade. A lot of environmental groups that I respect do too. They know it's not a perfect solution and don't love the idea of turning our planet's future over to these guys, but they think that it is an important first step and that it's better than nothing.'

However, as the film demonstrates, carbon trading is not better than nothing, it's far worse than nothing. As the US's top climate scientist, James Hansen, insisted in the New York Times last week, a Senate bill or Copenhagen deal based on cap-and-trade are indeed worse than no bill, no deal: carbon trading 'actually perpetuates the pollution it is supposed to eliminate' [4].

Ideologically, the market environmentalists risk sliding down a dangerous slope. For instance, amongst conservationists in both Southern Africa (where I live) and Seattle (where de Place lives) this question has been posed: should markets be relied upon to preserve threatened wildlife, even endangered species?

In our case, the challenge involves rhinos and elephants whose ivory tusks attract murderous poachers seeking riches in the East Asian aphrodisiac markets. Poachers have reduced the big animals' populations dramatically in recent decades. In the Pacific Northwest, instead of aphrodisiacs, macho trophy hunters seek coastal grizzly bears for their fireplace mantels.

Market-environmentalists react with a simple formula, which - to quote Robert Mugabe - reduces life to a commodity: 'They must pay to stay' [5]. Mugabe and his allies seduce hunters to visit Zimbabwe in order to maintain a 'sustainable' herd for the killing pleasure of rich tourists (not ordinary Zimbabweans' viewing pleasure).

De Place, too, defends the trophy industry: 'I'm not sure that hunting is bad for the species being hunted' [6].

David Roberts of Grist [7] also suffers pro-trading panic, calling the film 'the perfect representation of all the confusion and misplaced focus that plagues the green left right now.' In contrast, he confesses, 'I'm generally viewed among greens as a defender of cap-and-trade-or, in the less charitable version, a defender of the "party line," a shill for the administration, a sell-out "insider,"

whatever.'

Quite. Roberts cannot defend the US and EU cap-and-trade systems' free pollution allowances and billions of tons of offsets, rebutting that we should criticize not carbon markets, simply prevailing legislation. But the dreadful Waxman-Markey and Kerry-Boxer carbon-trading bills were complemented in mid-December by Senator Joe Lieberman - 'This is the market-based system for punishing polluters previously known as "cap and trade"' - to now include offshore drilling for oil and natural gas, nuclear energy and 'clean coal' scamming.

Another new bill offered by Senators Maria Cantwell and Sue Collins last week was endorsed by de Place and his colleague Alan Durning even though it has only a 4% emissions reduction target for 2020 from 1990 levels. Go figure, the author of the great 1992 anti-consumption book *How Much is Enough?*, Durning, now calls this irresponsibly low target 'solid' [8].

Ideally Kerry, Lieberman et al will be punished by Washington's grid-lock, as the bills suffocate in Capitol Hill's corporate pollution - a good thing, since their death would at least preserve the existing Clean Air Act, which all the main legislators except Cantwell-Collins threaten to gut.

Roberts grows yet more defensive on matters of principle: 'I don't know why the green left has decided that markets are bad, in and of themselves, but it seems both politically unwise and substantively thin.' He **doesn't know why**? Only a year after the world's worst market failure in recorded history, with global trade and financial indicators far lower after eighteen months than a similar period in 1929-31?!

Aside from concern about the self-destructive tendency of financial markets which host carbon trading (witness the EU Emissions Trading Scheme collapses in April 2006 and October 2008), the green left offers many substantively thick arguments why business environmentalism is flawed, and why commodifying natural resources - like the air, in carbon trading - generates systemic market failures.

For example, Africa's greatest political economist, Samir Amin, has just penned a damning attack on environmental markets [9], as has University of Oregon professor John Bellamy Foster [10]: *The Ecological Revolution: Making Peace with the Planet* [11]. Either can assist Roberts to plug the gaping holes in his pro-market consciousness.

Roberts doesn't seem to understand the severe dangers associated with an anticipated \$3 trillion in carbon trades by 2020, which will become the basis for further trade in financial derivatives, for he derides the film's warning about Wall Street speculation: 'Leonard et al. seem instead to have decided that "market Goldman Sachs derivatives bugga bugga!" suffices.'

But Roberts, de Place and NRDC policy director David Doniger [12] dare not trash the film's proposed solutions, such as stronger EPA regulatory enforcement and citizen activism (e.g. West Virginia mountaintop defense). There is greater potential to push the EPA into action - in spite of misgivings by NewEnergyNews' Herman Trabish [13] - than to win legislation regulating carbon within ill-functioning, untransparent financial markets, in which 'too big to fail' deregulatory freedom was amplified by Bush-Obama's 2008-09 bailouts.

The third critical group includes green technocrats with financial self-interest. That may explain why at least one of them - Adam Stein from TerraPass - is so very cross, absurdly entitling his attack on the film, 'Why does Annie Leonard hate the environment?' [14].

Stein claims, 'cap and trade and carbon taxes are functionally equivalent policies' - but they're not. As Hansen points out, carbon fees would easily withstand the scamming and price volatility so

notorious in the carbon markets.

Ultimately, for Stein, 'one criterion clearly stands above all others: which policy actually stands a chance of passage in the US Congress?' Unmentioned, for obvious reasons (the Congress being a wholly-owned subsidiary of big business) is that a carbon trading policy only enjoys the 'strong support' of a meager 2% of the US voting population, who 'favor a carbon tax over cap-and-trade by nearly two-to-one,' according to a Hart Research survey [15].

But given Washington's adverse power relations, a genuine climate policy must avoid the corporate-ruled Congress for now, and instead focus on command/control by the EPA. (To be sure, a stronger EPA would also rule many of TerraPass's own projects - especially those methane-electricity landfill conversions that undermine zero-waste strategies - as unworthy of green investment.)

Of all the film's supposed errors, says Stein, 'my favorite for sheer chutzpah, if not for actual importance, is when Leonard dings Kyoto because "energy costs jumped for consumers."'

But Stein may want to look at what European consumers now see: no net emissions reductions on the one hand, and on the other, massive criminality in the EU's carbon trading scheme (Europol estimates five billion euros have been stolen in tax fraud, as just one example), alongside regressive energy price increases (the poorest suffer a much higher burden of expenses than the wealthy, and are least able to make the transition to the post-carbon economy).

So when the film refers to higher EU energy costs, this is not chutzpah, it's critical realism. No one more than Annie is committed to raising consumption costs appropriately so as to deter waste; *Story of Stuff*'s viewers learned of unaccounted-for eco-social externalities that should be internalized in her \$4.99 radio, for instance.

Actually, the most telling contribution to the critiques of our cap-and-trade critique comes from an unlikely source: Charles Krauthammer [16]. The despicable neocon columnist fused all three hostile narratives when he wrote, last Friday, against the EPA: 'Congress should not just resist this executive overreaching, but trump it: Amend clean-air laws and restore their original intent by excluding CO₂ from EPA control and reserving that power for Congress and future legislation. Do it now. Do it soon. Because Big Brother isn't lurking in CIA cloak. He's knocking on your door, smiling under an EPA cap.'

Sorry, the big brother who so frightens Krauthammer is far bigger than a beleaguered Washington environmental agency and far more dangerous to corporate profits than pro-market 'green' critics of *The Story of Cap and Trade* actually comprehend: simply, a new global movement known as Climate Justice.

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P.S.

* From Patrick Bond's ZSpace Page, December, 16 2009:
<http://www.zmag.org/zspace/commentaries/4078>

* Patrick Bond, a content advisor to *The Story of Cap and Trade*, has written widely on the climate crisis:

<http://www.ukzn.ac.za/ccs/default.asp?2,68,3,1887>.

Footnotes

- [1] <http://www.zcommunications.org/zvideo/3310>
- [2] <http://agmates.ning.com/forum/topics/canberra-protest-rally-live?commentId=3535428%3AComment%3A9579>
- [3] <http://www.youtube.com/watch?v=TWjGZNDEH-A>
- [4] www.nytimes.com/2009/12/07/opinion/07hansen.html
- [5] <http://baraza.wildlifedirect.org/2008/03/10/illegal-wildlife-trade-is-fueling-wars-in-africa/>
- [6] <http://www.grist.org/article/to-save-a-species-shoot-here> - and for a rebuttal by the Raincoast Conservation Foundation, see <http://www.grist.org/article/raincoast-responds-to-eric-de-place>
- [7] <http://www.grist.org/article/2009-12-01-annie-leonard-misses-the-mark-her-new-video-story-cap-and-trade/>
- [8] <http://www.grist.org/article/2009-12-11-cantwells-cap-and-trade-bill-almost-genius/>
- [9] <http://seminario10anosdepois.wordpress.com/2009/12/01/the-battlefields-chosen-by-contemporary-imperialism/#more-37>
- [10] <http://sociology.uoregon.edu/faculty/foster.php>
- [11] <http://www.monthlyreview.org/books/ecologicalrevolution.php>
- [12] http://switchboard.nrdc.org/blogs/ddoniger/the_rest_of_the_story_of_cap_a.html
- [13] <http://newenergynews.blogspot.com/2009/12/oversimple-story-of-cap-and-facts.html>
- [14] <http://www.terrapass.com/blog/posts/why-does-annie-leonard-hate-the-environment>, and another is carbon consultant Gay Harley, <http://carboncommentary.blogspot.com/2009/12/no-rest-in-copenhagen.html>
- [15] <http://www.sustainablebusiness.com/index.cfm/go/news.display/id/19351>
- [16] <http://www.washingtonpost.com/wp-dyn/content/article/2009/12/10/AR2009121003163.html>