

WebMemo



Published by The Heritage Foundation

No. 2168
December 11, 2008

Poznan Conference: America Should Take Notice as Europe Backs Away from Costly Global Warming Measures

Ben Lieberman

A global warming conference is currently underway in Poznan, Poland, with representatives from 190 countries debating a new treaty to succeed the 1997 Kyoto Protocol. However, this meeting is not likely to be of great consequence for the U.S. After all, the timing is off—it is too late for the Bush Administration to make any dramatic moves on climate policy, nor is the Obama Administration yet in power. However, this meeting is important in that it signals the end of the Bush era on climate and the beginning of a new approach.

Presidential transition issues aside, there is another, even more compelling reason why America should not support the international global warming constraints currently under consideration in Poznan: The measures in the original Kyoto Protocol are proving to be prohibitively expensive and unworkable. Thus, in these uncertain economic times, the last thing America and the world needs is to extend Kyoto's flawed approach. That will be the real lesson of Poznan and one that will carry into the more important global warming meeting to be held a year from now in Copenhagen.

Kyoto Is Crumbling. As climate change negotiators from nearly every country are meeting in Poland, many participating nations are already seeing the unraveling of current global warming policy. This is especially so amongst the Western European signatories who committed themselves to emissions reductions under the 1997 Kyoto Protocol and instituted a greenhouse gas cap-and-

trade program in 2005. In so doing, these nations embarked on a climate policy many want America to emulate, including the President-elect. Thus far, America has declined to ratify the Kyoto Protocol or legislate cap-and-trade restrictions, though President-elect Barack Obama has expressed support for such measures.

But, as these Europeans are currently learning the hard way, ratcheting down carbon dioxide emissions in this manner—essentially the rationing of coal, oil, and natural gas—is extremely difficult and expensive. In fact, most of these nations (as well as non-European Kyoto signatories like Canada and Japan) are not reducing their emissions, and indeed several are seeing faster increases than those in the U.S.¹ What little has been accomplished in terms of emissions reductions has come at a high cost for regulated entities, especially smaller ones.²

Many nations committed to emissions reductions under the Kyoto Protocol are going to miss their 2008–2012 targets, and efforts underway in Poznan to create additional post-2012 targets are falling apart in the face of economic concerns. In addition, the European Union's goal of a 20 percent

This paper, in its entirety, can be found at:
www.heritage.org/Research/EnergyandEnvironment/wm2168.cfm

Produced by the Thomas A. Roe Institute
for Economic Policy Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting
the views of The Heritage Foundation or as an attempt to
aid or hinder the passage of any bill before Congress.

reduction in greenhouse gas emissions by 2020, being debated in a separate EU meeting, is garnering strong opposition. This measure will likely be enacted only if riddled with exclusions and delays or sweetened with handouts for the European nations struggling to balance environmental promises with economic realities.³

Ironically, it is Poland, the host of the Poznan meeting, which is leading the charge toward injecting economic realism in the climate policy debate.⁴ Poland gets over 90 percent of its electricity from coal, the most heavily targeted fuel source under any global warming policy. It, along with many other Eastern European nations—as well as a growing number of Western European countries—as are insisting on measures to control costs before agreeing to any new restrictions on energy. This message is particularly resonant given the economic problems being faced throughout the globe.

Though the U.S. is not as reliant on coal as Poland is, our nation uses it for half of our electricity. Add to that the oil and natural gas Americans use, and our nation gets 85 percent of its energy from the fossil fuels that would be made more expensive by the Kyoto approach. In other words, the difficulties being experienced in Europe are at least as true of any cap-and-trade constraints that

would be imposed on the U.S. In effect, cap-and-trade works as an energy tax, driving up the cost of energy and posing hardships for consumers and the overall economy while destroying jobs, especially in the manufacturing sector.

All Economic Pain for Little—if Any—Environmental Gain. The cost of the policy prescriptions being debated in Poznan is very high and would be worth imposing only if global warming were truly a dire threat. Growing scientific evidence casts doubt on whether global warming constitutes such a threat,⁵ including the fact that 2008 is about to go into the books as a cooler year than 2007. But even assuming the worst of future warming, the measures under consideration would alleviate only a small fraction of it. This is especially so given the rapid rates of emissions increases in China, India, and other developing nations that insist on being exempted under Kyoto. Thus the efforts of the developed world—even in the unlikely event of full compliance with Kyoto and any successor agreements—would make little difference for future carbon dioxide emissions.⁶

Lessons from Europe. The Obama Administration and its environmental team will be firmly in place for the next major global warming meeting in Copenhagen in December 2009. But the economic

1. Press Release, “UNFCCC: Rising industrialized countries emissions underscore urgent need for political action on climate change,” United Nations, November 16, 2008, at http://unfccc.int/files/press/news_room/press_releases_and_advisories/application/pdf/081117_ghg_press_release.pdf (December 11, 2008); Energy Information Administration, “International Energy Annual 2006,” Table H.1co2: World Carbon Dioxide Emissions from the Consumption and Flaring of Fossil Fuels, 1980–2006, at www.eia.doe.gov/pub/international/iealf/tableh1co2.xls (December 11, 2008); Open Europe, “Europe’s Dirty Secret: Why the EU Emissions Trading Scheme Isn’t Working,” August 2007, at www.openeurope.org.uk/research/etsp2.pdf (December 11, 2008).
2. Open Europe, “Europe’s Dirty Secret,” pp. 42–43.
3. See Benny Peiser, “Europe’s Climate Revolt,” *National Post*, October 20, 2008, at <http://network.nationalpost.com/np/blogs/fpcomment/archive/2008/10/20/europe-s-climate-revolt.aspx> (December 11, 2008); Pete Harrison, “Europe on Collision Course Over Emissions Costs,” Reuters, December 8, 2008 at <http://www.guardian.co.uk/business/feedarticle/8132666> (December 11, 2008).
4. See Politiken.dk, “Poland Applies EU Climate Brakes,” November 27, 2008, at <http://politiken.dk/newsinenglish/article603873.ece> (December 11, 2008).
5. See U.S. Senate Environment and Public Works Committee Minority Staff Report, “U.S. Senate Minority Report: More Than 650 International Scientists Dissent Over Man-Made Global Warming Claims Scientists Continue to Debunk ‘Consensus’ in 2008,” December 11, 2008, at http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=37283205-c4eb-4523-b1d3-c6e8faf14e84 (December 11, 2008).
6. U.S. Energy Information Administration, “International Energy Outlook 2008,” June 2008, chapter 7, at <http://www.eia.doe.gov/oiiaf/ieo/emissions.html> (December 11, 2008).

realities of global warming measures will also be in place, as will the lessons from Europe as that continent tries to back away from a prohibitively expensive policy. The last thing the American people need is for its government to embrace a European-

style global warming policy just as Europe is abandoning it.

—Ben Lieberman is Senior Policy Analyst in Energy and the Environment in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.