

Roundtable B17: State Power? Exploring the Role of Regulation, Taxation, and Public Investments in Addressing the Climate Crisis

Discussion Leaders: Daphne Wysham, Sustainable Energy and Economy Network; Joel Yudken, High Road Strategies; Charles Komanoff, Carbon Tax Center; George Sterzinger, Renewable Energy Policy Project; Laura Martin Murillo, Sustain Labour-Spain

Facilitator: Sean Sweeney, Cornell Global Labor Institute

PRESENTATIONS

Charles Komanoff co-founder of the Carbon Tax Center offered the opinion that carbon pricing will be imperative in facing the challenge of climate change. A breakdown of U.S. carbon dioxide emitters was offered, with the electric power industry leading the pack, creating 40% of carbon emissions nationwide. In addition, 23% of emissions are created by automobiles and 37% fall under the category of 'other', illustrating that there is no one primary cause and therefore no all encompassing generic solution. Promoting carbon taxation on emitters such as gasoline, fuel oil, etc. it was theorized that perhaps the manufacturing industry which relies primarily on imports from abroad would be motivated to restructure locally. As far as the revenues that would be generated by such taxes, it is the position of the **Carbon Tax Center** that these funds should be dedicated to either a tax shift designed to reduce the burden of the poor and working class or redistributed through equal per capita rebates.

George Sterzinger of the Renewable Energy Policy Project categorically opposes carbon tax, viewing it as regressive and burdensome in terms of income and location. Contending that the U.S. should be promoting an avoidance of carbon emissions by offering incentives rather than penalizing emitters via taxation, it was further asserted that the alternatives are more cost efficient and that emission levies have the potential to lead to public 'backlash'. In contrast to taxation the **Renewable Energy Policy Project** promotes federal incentives for investment in renewables technology, arguing that these methods can reduce emissions while providing a much needed revitalization for areas of the country which have been adversely effected by the outsourcing of the manufacturing industry.

Laura Martin Murillo from Sustain Labour-Spain expressed serious doubt as to the ability of weaker developing nations to be able to lead the world out of the enveloping climate crisis. Likewise the notion that corporations, concerned primarily with their own profit making interests could tackle the matter was met with equal skepticism. Seeing the emissions dilemma as an opportunity for a larger government role it was noted that even the most mainstream economies are conceding to the fact that global warming is the result of market failure. Acknowledging the importance of public investment in energy efficiency, the benefits of carbon taxation were explored with an emphasis on labor's place in the policy making process.

Sean Sweeney the Director of the Global Labor Institute, Cornell University approached the questions of state regulation, taxation, and public investment in addressing the climate crisis from a trade union perspective. Recommending an emergency transition policy, the feasibility of democratized public ownership of key facets of the energy industry was explored. Another possible option examined was the formation of a new federal agency designed specifically to oversee transition. Referring to conclusions drawn by economists **Jeffrey Sachs** and **Nicholas Stern**, it was pointed out that although marketers want to be free from government interference and regulation, these same interests want government to provide the framework and capital to correct this market created quandary. Having explored the inability of the markets to properly address the dilemma in its complete magnitude, a '**New Deal**' approach to the climate crisis was proposed with labor and government working in concert toward a green, renewable future.

Joel Yudken with High Road Strategies was primarily concerned with the economic implications of transition on the working class. It was argued that the necessity to dramatically reduce emissions must be integrated with the needs of working families to ensure they are not unfairly burdened by new transition policies. Commending the **National Commission on Energy Policy** based on its inclusion of labor in the plan design process, it was announced that the **NCEP** is calling for an economy-wide cap and trade mandate. It was explained that the intention of this plan is to minimize shocks and provide opportunity for the economy to adjust to rising energy costs with the least disruption. Further emphasizing that neither taxation nor market solutions alone are sufficient for providing equitable transition, the need to prioritize solutions that do not disenfranchise the working class was addressed.

DISCUSSIONS

Participants explored the possibilities of carbon taxation on sectors of the economy which would be unaffected by market solutions such as cap and trade. The need to level the playing field in regards to the price of doing business that is environmentally sound as opposed to continuing 'business as usual' was stressed, illustrating the need for state intervention of the market place. The role of the United States was expressed to be paramount in achieving a solution to the global crisis, calling for the U.S. to finally join with the rest of the world in making commitments to reduce emissions. **Daphne Wysham from the Sustainable Energy and Economy Network** addressed the argument of Government policy as opposed to market driven schemes, warning that cap and trade primarily benefits corporations, increasing not only their profits but their influence over world affairs as well. The question of state investment and public ownership of the energy industry was the focus of much of this roundtable discussion, with labor's role at the forefront of the inquiry.