

Climate change and social policy

Ian Gough
University of Bath

CASE, LSE
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An unprecedented challenge

1. Brief scenario of predicted climate change
2. Implications for social policy
3. From welfare state to eco-state?
4. Dilemmas of political economy

I: Climate change: the basic scenario

- Models predict a doubling of pre-industrial levels of greenhouse gases between 2030 and 2060, which would result in a rise of global mean temperatures by between 2-5°C.
- This far outside the experience of human civilisation
- Furthermore most models ignore likely positive feedbacks
- Emission trends since 2000 faster still: Tyndall Centre analysis:

What is dangerous climate change?

- UK & EU define this as 2°C
- Links to total quantity of CO₂ in atmosphere
 - *measured in parts-per-million by volume (ppmv)*
- Currently 380ppmv & increasing 2-3ppmv each year
 - *280ppmv before industrial revolution*
- Still feasible to keep below 450ppmv CO₂
 - *i.e. 70% chance of exceeding 2°C*
 - *50% chance of exceeding 3°C*

What are the 'correct' emission targets for 2°C ?

- UK & EU have long term reduction targets
 - e.g. UK's 60% reduction in CO₂ by 2050
- But CO₂ stays in atmosphere for approx. 100year
- Hence, today's emissions add to yesterdays & will be added to by tomorrows
- So, focus on long-term targets is very misleading

Put bluntly ...

the final % reduction in carbon has little
relevance to avoiding dangerous climate change
(*e.g.* 2°C)

What is important are the
cumulative emissions of carbon

For a 30% chance of
"avoiding dangerous climate change"

the UK's budget is

~ 4.8 billion tonnes of carbon

between 2000-2050

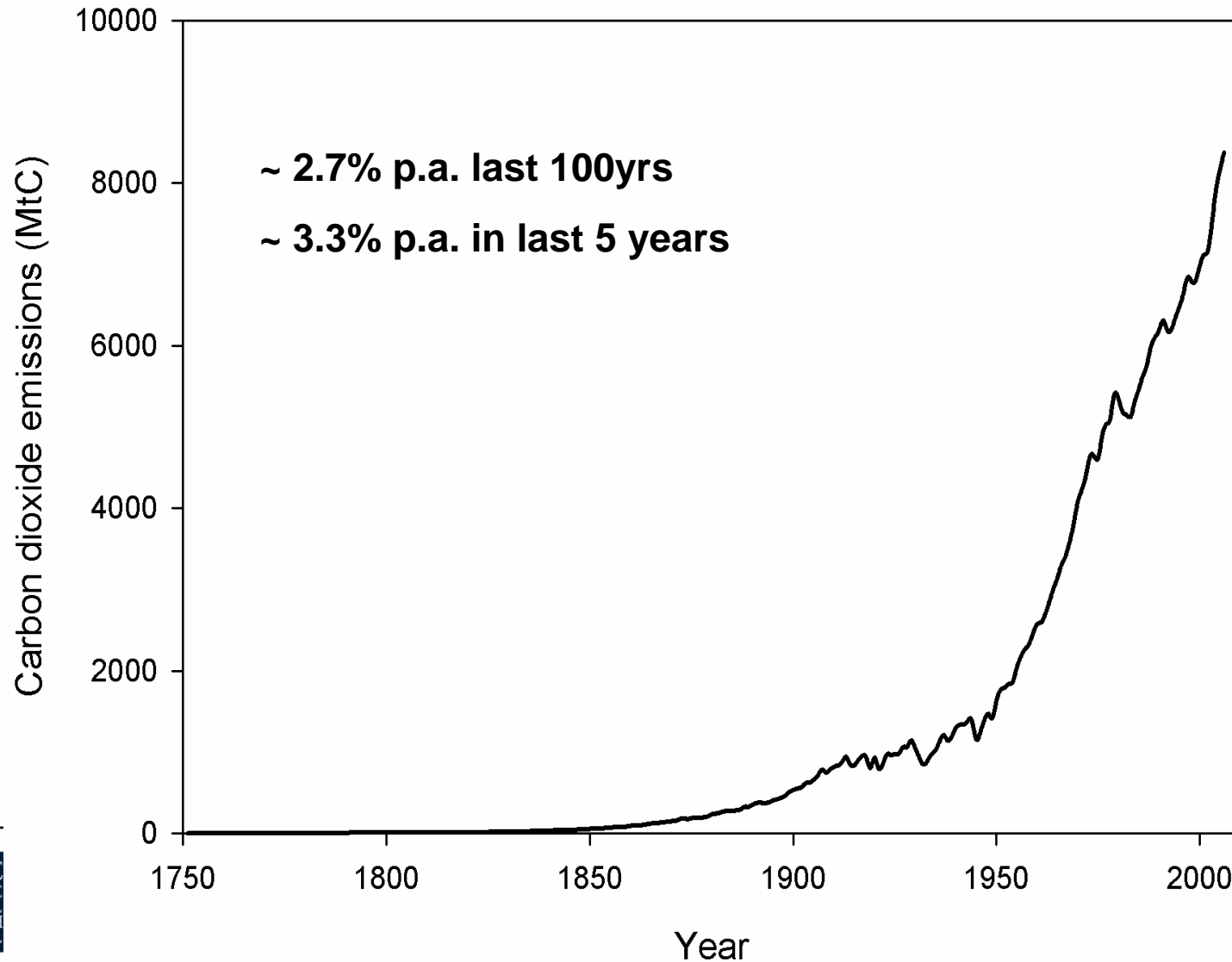
... emissions between 2000-2006 were
~ 1.2 billion tonnes of carbon

*... i.e. we've used $\frac{1}{4}$ of our permitted
emissions for 50 years in around **6** years!*

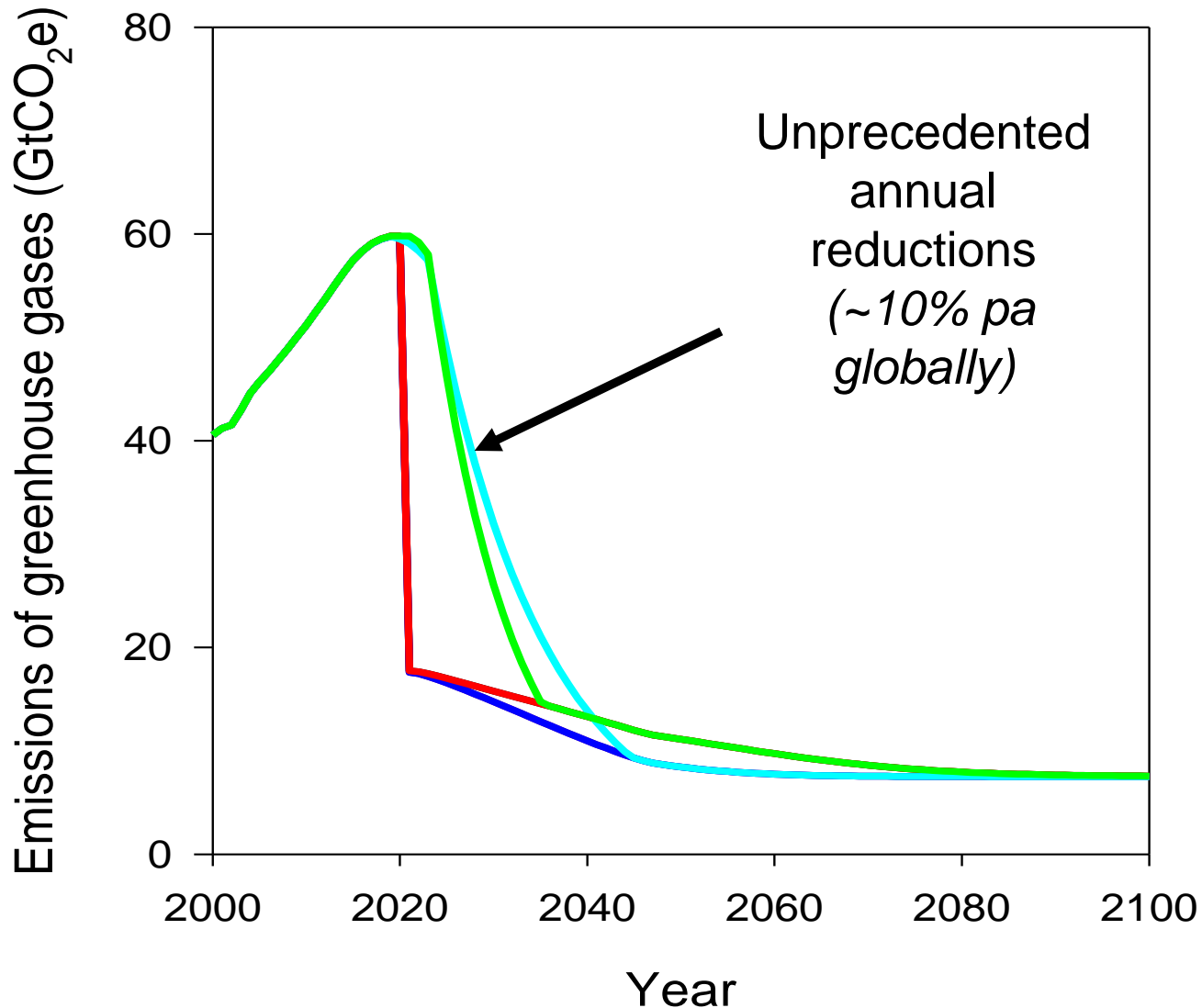
... the Climate Change bill should :

- adopt cumulative emissions as basis for targets
- acknowledge 2 C is much more demanding than previously thought (*~6 to 9% carbon reduction p.a.*)
- include aviation & shipping emissions
- recognise need for immediate action on demand

What are the latest global CO₂ emission trends?



What does all this imply for a 450ppmvCO₂e future?



Policies for environmental sustainability

- Such drastic reductions never achieved: closest was 5%pa during collapse of Soviet economy
- Some argue 4° global warming inevitable
- Much analysis of the economics of environmental sustainability
- But little on implications for social policies
- Are environmental and social justice agendas complementary or antagonistic?

II: Implications for social policy

- Social policy - the public management of social risks
- Usually tackles *idiosyncratic* risk: individually unpredictable, collectively predictable
- Climate change is a *systemic* risk: novel, big, global, long-term, persistent and uncertain (Stern 2006: 25)
- An unprecedented challenge (and I'm ignoring the economic crisis...)

Lessons from Polanyi?

- Polanyi, *The Great Transformation*: social policies emerged in 19c to cope with the unplanned, humanly harmful and system-threatening effects of the commodification of labour. Cannot completely commodify labour because it 'cannot be detached from the rest of life'
- But two other 'fictitious commodities' alongside Labour: Money and Land.
- Land 'is only another name for nature, which is not produced by man'

From welfare state to eco-state?

- This suggests another conceptual parallel: just as the ‘social question’ fostered the welfare state, now climate threat and environmental challenge is fostering the rise of the ‘environmental state’ or ‘eco-state’
- Dryzek: ‘we have gazed with envy upon social policy, wondering how environmental concerns might ever come to be taken anywhere near as seriously by governments as social policy concerns’

But... differences

- Stern Report: CC is global in its causes and consequences; its impacts are long-term and persistent; and there is serious risk of major, irreversible impacts with non-marginal effects
- The consequences (externalities) of early industrialisation were visible and directly felt by many people, fostering collective organisation and social movements to correct them
- The externalities of climate change are distant in time and global in space; the material bases for collective mobilisations are far weaker

Implications for habitats, wellbeing and social policy

Most models predict worse impacts in tropical regions, which are also mainly poorer countries.

But focus today on *Europe*.

Implications fall into four categories.

- *Direct* risks to wellbeing
- *Indirect* risks to wellbeing
- Implications of climate *adaptation* policies
- Implications of climate *mitigation* policies

Implications for wellbeing: 1.

Direct impacts

- Direct harmful impacts on human livelihoods and wellbeing predicted to be most egregious in the tropics – and thus mainly poor countries
- In Europe, modest direct impacts, but more adverse in coastal areas and Mediterranean regions
- Social policy challenges: new housing and settlements, new insurance costs, health demands of extreme climatic events

Implications for wellbeing: 2.

Indirect impacts

- Perhaps most significant: climate migration from developing world, notably Africa :
 - “EU told to prepare for flood of climate change migrants” (Javier Solana and Benita Ferrero-Waldner)
- Therefore would exacerbate costs and benefits of in-migration to Europe
- Challenges to social integration
- Question of entitlements of non-citizens

Implications for social policies: 3.

Likely CC adaptation policies

- North-South gradient in Europe re impact of CC on water supplies, food production and health
- Opportunity costs of making settlements and buildings more resilient to CC
- Fiscal competition between welfare state and 'environmental state', unless synergies are exploited

Implications for social policies: 4.

Likely CC mitigation policies

- This the most significant for European welfare states
- All forms of carbon pricing/taxation → higher energy costs in production, electricity, travel, housing – likely regressive effects
- Carbon *rationing* policies, *ceteris paribus*, would be redistributive, but perverse effects:
 - eg. in UK 30% of poorest quintile of households use more energy for heating than the national average

Implications for social policies: 4.

Likely CC mitigation policies

1. Regressive effects will require new forms of social *protection*: closer integration of carbon and income distribution policies
2. New social *investment* demands to reduce carbon emissions of housing, transport and employment
3. Numerous policies to change consumption behaviour to reduce harmful consumption

Synergies with social policy 1: redistribution

- The ‘Weitzman paradox’: more equality aids effectiveness of price mechanism
- In more unequal societies prices that discourage carbon consumption by poorer groups inadequate to restrain the affluent
- Thus ‘traditional’ income redistribution could facilitate the use of carbon pricing/ markets
- If personal consumption to be restrained – see below – then less inequality and more redistribution necessary for normative and consequentialist reasons

Synergies with social policy 2: housing policy

- IPCC Report: baseline carbon emissions could be reduced in the residential sector by 29% at effectively no cost – the highest scope for reductions in any sector
- Countries with very inefficient houses, such as the UK, could achieve a win-win outcome by improving housing quality and reducing emissions, if the political will was there
- The employment effect -> win-win-win?
- Who has heard of ‘Warm Front’?

Lessons from social policy: Changing behaviour

Four basic ways of changing behaviour:

- education and persuasion
- taxation, subsidies and other monetary incentives;
- regulation (including rationing);
- environmental engineering.

Lessons from anti-smoking policies, where all 4 used

But getting the balance right:

- incentives that appeal solely to self-interest may fail when they degrade intrinsic motivations such as altruism and solidarity

Jackson: ‘co-ownership of policies needed’

Will climate change re-charge social policy?

- After decades of market solutions, climate change brings back centre stage the role of public governance (as does economic crisis)
- This in two senses:
 - a recognition of the contributions of a wide range of actors: government at all levels, the private sector, non-governmental actors and civil society (eg IPCC 2007: 82).
 - a recognition that only governments can harness these different components into an effective strategy in a short time.

III: From welfare state to eco-state?

- Meadowcroft: emergence of environmental governance in the OECD world since c1970:
 - Environmental rules that employ a diversity of policy instruments – including regulation, fiscal policy, subsidies, negotiated agreements, and moral injunction – to manage the burdens of industrial civilization
- He and Dryzek: emergence of an environmental *state* or *eco-state*. But this is much more weakly embedded institutionally than the welfare state
- Arriving much later, the eco-state is ‘layered on top of’ existing economic systems and welfare systems

Different welfare regimes, different eco-states?

- Social democratic welfare states have been pioneers in developing comprehensive environmental policies, including climate change mitigation
- And ‘Social democratic welfare states and coordinated market economies are better placed to handle the intersection of social policy and climate change than the more liberal market economies with more rudimentary welfare states’

Different welfare regimes, different eco-states?

- Public support: ‘Denmark, Finland and the Netherlands, i.e. countries, which have developed strong welfare states, have the highest approval rating for environmental protection’
- One reason: discourse of ‘ecological modernisation’: a strategy that recognises that climate change can be good for business and thus fosters consensus across interest groups
- But to realise this requires governance capacities of coordinated political economies

Is the EU tougher on environment than on social exclusion?

Remarkable EU record:

- Steering the Kyoto Protocol in 1997
- Emissions Trading System (ETS) launched in 2005
- 2007: set binding emission targets for EU member states.
- Does the EU remit on environmental action already exceed its still marginal social dimension?
- A reflection of different risk structures

Might the eco-state undermine the welfare state?

- The novelty and scale of climate change risks is driving a new governance agenda
- Climate change policies might displace social policy, providing a new focus of countervailing governance in the 21st century
- CC and environmental justice agenda may capture the political imagination weakening the traditional concerns of social justice

IV: Dilemmas of political economy: Green New Deal?

- Introduce the global economic crisis
- A Keynesian welfare-eco state?
- new investment programmes of renewable energy and energy efficiency to employ redundant workers and mitigate climate change
- *See 'The Green New Deal', Nef*
- But is this enough?

Challenging economic growth: or can decoupling work?

- Relative decoupling? Yes:
 - Global CO₂e per \$1000: 1980 1000kg; 2005: 770kg
- Absolute decoupling? No:
 - Global CO₂e ↑ 40%
- Absolute decoupling in rich countries? No:
 - UK 1990-2005: CO₂e ↓ 6%
 - But including outsourced production and imports ↑ 11%

Jackson's global arithmetic

$$\Delta I = \Delta P + \Delta A + \Delta T \text{ (Ehrlich)}$$

1990-2005:

- Δ Population = 1.3%pa
- Δ Affluence = 1.4
- Δ Impact (CO₂) = 2.0
- Thus Δ Technology = -0.7

By 2050:

- assume target I = 5b tCO₂, thus $\Delta I = -4.8\%$ pa
- $\Delta P = 0.7$
- Assume $\Delta A = 1.4$: business-as-usual (some catch-up in parts of developing world + continuing growth in West)
- Then ΔT must = -6.9%pa!

Challenging economic growth in rich nations

- This 10x faster than in past: would entail CO₂e per \$1000 = 40kg/\$1k by 2050
- But this allows for no greater catch-up by developing world; a world of huge inequalities in 2050
- Yet a world of still further cumulative growth in West
- Despite evidence that excessive growth harms objective wellbeing and subjective happiness as well as environmental sustainability

Challenging economic growth and reintegrating social policy

- Call time and shift trajectory?
- Consumption of 'stuff' in West must probably decline
- Composition of output must shift from C to G and I devoted to long term eco-system maintenance and climate adaptation
- This will require new economic modelling
- And radical social redistribution
- Thus a major new role for social policy

De-commodified wellbeing?

- Excessive growth harms objective wellbeing, subjective happiness and environmental sustainability
- Re-orient policies *directly* to wellbeing
- Reduce consumption of commodities and extend de-commodified production
- How? Some ideas in *Green Well-fare* (Nef – *forthcoming*)

Reference

‘Climate change and social policy: a symposium’,

Ian Gough with James Meadowcroft, John Dryzek, Jürgen Gerhards, Holger Lengfeld, Anil Markandya and Ramon Ortiz

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