

Global Economy

United States: Policy and Climate Change

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The United States is one of the biggest contributors to greenhouse gas (GHG) emissions, making its involvement in the fight against climate a matter of critical importance.

However, few topics have been more contentious in U.S. politics than climate change. At the national level, the two main political parties have different views on the issue.

The majority of Democrats agree on the anthropogenic causes of climate change while many Republicans disagree. Moreover, some groups within the GOP deny that climate change is happening, while others acknowledge that global warming is real but do not accept human activity as the leading cause. The Democratic leadership generally advocates for bold action against climate change, which the Republican leadership commonly opposes. This division is unique in the developed world where, for the most part, opposite political forces tend to accept the scientific consensus of human-caused climate change. These differences have prevented the adoption of a far-reaching national strategy.

At the federal level, the current Administration has not only withdrawn the United States from the Paris Agreement, but it has also embarked on a process of environmental deregulation.

Consequently, mitigation and adaptation efforts are now in the realm of states, cities, and private businesses. It is estimated that, even without the assistance of the federal government, the measures taken by subnational players could enable the United States to fulfill two-thirds of its commitment to reduce its GHG emissions by 2025, to between 26% and 28% below the levels observed in 2005.

As good as it may be, individual actions by subnational players and the private sector may not result in the most efficient outcome. This is because each one places its own value on the cost of GHG emissions, which has two drawbacks. One is the "free-rider problem," which occurs when some parties benefit from the environmental policies of others without sharing the cost. Another drawback is "carbon leakage," which occurs when polluters decide to move to locations with less stringent regulations. As a result, net GHG emissions may not decrease and could even increase. A national policy is, therefore, necessary to prevent this from happening.

Can the U.S. have a national strategy to combat climate change? The most recent surveys suggest that public opinion may have reached a tipping point. According to Gallup, for the first time since 2001, most Americans over the age of 18 are very concerned about global warming and believe that it will have severe repercussions during their lifetime. There is a far greater concern among young people than among older generations.

The generational difference in the perception of this risk is not a trivial matter, given that the average age of members of Congress in the House of Representatives is 57 and the average age in the Senate is 69, while the median age in the US is 38. In other words, the generation that is less concerned by climate change is currently responsible for making the laws to deal with it.

However, as extreme weather events continue to impact an increasing number of people, and young Americans gradually take over the majority of the electorate, climate change is set to emerge as one of the most important issues on the US political agenda in coming years.

There are some clues as to what each party's proposals might be. On the Democratic side is the Green New Deal, a call to action that puts the fight against climate change at the center of a broader social agenda that includes issues such as income inequality, discrimination, access to healthcare, and unemployment.

On the Republican side is the Carbon Dividend, which, despite lacking consensus within the party, is currently the most elaborate proposal. It is a tax on carbon dioxide emissions, the income from which would be distributed directly to families.

The fact that both parties are addressing climate change is commendable, but the clock keeps ticking. To convince a larger number of voters, parties will need to emphasize not only the risks but also the opportunities ahead, such as the emergence of new industries, job creation, access to cheap energy, higher-quality public goods, etc. Proposals that successfully convey the risks and opportunities stand a higher chance of being accepted.

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