

Headline: Real progress means cutting the carbon cord

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As the world scrambles to avert a climate catastrophe, the need to dissociate economic growth from carbon emissions has become an even more pressing question for policy and decision-makers.

The good news is that more studies are coming out, proving that it can be very cheap, or even cost-free, to cut carbon, grow the economy, create jobs, and save our planet.

Conventional economists and those who deny climate change have been telling us for decades that if we cut carbon emissions, we will be racing toward economic bankruptcy or disaster. They claim that economic development cannot be weaned from carbon addiction. This logic also resides in the so-called right to development (aka right to pollute), which is often used by governments to justify measures to avoid cutting their own carbon emissions.

The climate emergency and the increasing resonance of green development alternatives are proving these naysayers wrong. Apologists for climate despair remain stuck in a Dickensian fantasy set sometime in the Industrial Revolution. Their denials of climate change and lies about renewable energy being a tree-huggers' hoax show that they are dangerously out of touch with modernity and reality. Perhaps more inconveniently for them, the reality of climate change threatens to overturn the fossil-fuel-dependent ideological base on which their political and financial fortunes depend.

The truth is that the age of renewable energy has arrived. It is green, it is effective, it is efficient, it is lucrative, it is safe, and it is thriving, growing dramatically all this time. The costs of solar power alone have gone down by around 50 percent since 2010.

We are witnessing the advent of a global energy revolution where renewables represent future progress. Renewable energy is the fastest growing energy sector in the world today, with \$243 billion invested in renewable energy in 2010 alone, up 30 percent from 2009. Around 2.3 to 3.5 million people around the world are estimated to be working either directly in renewables (construction, manufacturing, installing, operating, and maintenance), or indirectly in supplier industries.

Solar PV can generate up to 3.7 million jobs in the world by 2020, and more than 5 million by 2050. Green is the new gold.

More importantly, limiting carbon emissions does not necessarily translate to negative economic growth. Carefully crafted and appropriate policies to limit emissions, like carbon taxes or honest cap-and-trade schemes, can be quite cheap for many countries. Why is this? Because of something called "co-benefits." These are the short- and medium-term benefits that accrue above and beyond the benefit of reducing catastrophic climate change such as benefits for health, congestion, security, and innovation. The biggest co-benefits involve public health savings. Simply put, dirty energy projects, like coal plants, kill and make people sick.

The World Health Organization reported that in 2012, outdoor air pollution caused

3.7 million premature deaths. The culprits are primarily emissions from transport, industry and power generation. Coal-fired power plants cause a host of cancers, heart attacks, strokes,

respiratory ailments, and more. When people are sick because of coal pollution, their medical bills go up and productivity goes down. Take away emissions and these problems improve, as do reductions in pollution-related deaths.

A recent International Monetary Fund paper laid out the co-benefits of carbon pricing, a key measure to help our world quit carbon. The IMF researchers found that for the top 20 emitting countries, pricing carbon emissions was in their own national interests due to domestic co-benefits, completely apart from global climate benefits. Average national benefits justify a significant carbon price at \$57.5 per ton of CO₂ for 2010, largely because of health co-benefits of slashing coal plants and reductions in automobile related externalities.

It is clear that with co-benefits, governments can start taking action as carbon mitigation lies in their immediate national and economic interests. Carbon pricing can even generate a “double dividend” if the revenue it generates goes to creating other stimuli for the economy.

The New Climate Economy report, endorsed by The Global Commission on the Economy and Climate chaired by former president Felipe Calderón of Mexico, contains similar findings. This report posits that 50 percent to 90 percent of actions needed to keep global warming within a 2°C pathway are compatible with development, equitable growth, and improved living standards.

With such new reports and new data emerging, we must all say goodbye to the outdated misconception that there is a rigid tradeoff between low-carbon policy and growth and views of economies as static, unchanging and efficient. We must seize reform opportunities, reduce market failures and rigidities, allocate resources efficiently, promote green growth, and price carbon with ambitious and coherent policies that will enable emerging economies like those in Southeast Asia to become global leaders on the path to a bright, environmentally sound future.

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