

THE PRESIDENT'S CLIMATE SPEECH

This past June, President Obama gave a long-anticipated speech laying out his vision for climate change risk management. The centerpiece of the approach is to use the EPA to regulate greenhouse gas emissions from power plants. What those regulations will look like remains unclear, but the president's intent to reduce emissions significantly, particularly from coal-fired power plants, is clear.

By all accounts, this wasn't the approach the president wanted to take for climate change. He has said repeatedly and throughout his presidency that he favors a bipartisan solution that comes from Congress. After nearly five years, and with the end of his second term approaching, the president appears to have concluded that the political divisiveness surrounding climate change makes congressional action unlikely.

How well the president's approach will work is hard to know, of course, but it will be particularly interesting to see how this unilateral effort affects the politics of climate change risk management. There is a chance that the president's plan will ultimately reduce the political divisiveness surrounding climate change, in part because the approach itself is politically divisive.

Using the EPA to regulate emissions will not go over well with many in Congress. His opponents will likely find it easy to criticize, and score political points in so doing, on both philosophical grounds (i.e., based on a preference for less intrusive federal intervention) and because unilateral executive action is less democratic than including Congress in the creation of a new law. But the very fact that substantive arguments can be made for different approaches may provide an incentive for his opponents to develop and offer those alternatives. That could create an important opening that's been largely missing for climate change over the last few decades.

Prior to the 1990, Clean Air Act Republicans and Democrats could more easily agree on an environmental problem yet disagree on the solution. Republicans tended to prefer market-based solutions while Democrats tended to prefer command-and-control regulation. Conservative philosophy convincingly won that debate, because the market-based approach used in the 1990 Clean Air Act proved far superior as a tool for protecting the environment and maximizing the economic benefits of doing so.

Perversely, that philosophical victory for conservatives has made it harder for the two parties to agree on

climate change risk management. There isn't an easy way for the parties to distinguish themselves if they agree on the basics of the solution. Instead the political incentive has been to disagree about whether there is a problem in need of a solution in the first place. Once the champions of climate policy coalesced on a conservative approach for addressing climate change, the choice for everyone else became too stark: go along with that approach or oppose climate policies altogether. If there isn't middle ground and your opponent is for it, then few options are more politically effective than being against it.

Of course, the politics of climate change are, and will likely continue to be, challenging for other reasons, most notably because of the competing and incompletely reconcilable interests of those affected by policy options. But there is a wide range of potential solutions for helping to manage climate change risks. Critically, there is a policy option for virtually any political philosophy out there. For example, Congress could use a market-based approach to reduce greenhouse gas emissions while simultaneously using every penny that the government raises through such an approach to reduce existing taxes on wages, corporate income, or capital gains. The reduction in taxes that would result would be a major victory for conservatives that many Democrats could plausibly go along with. Yet such options haven't been developed or seriously considered.

That a broad range of potential risk management strategies hasn't been developed and explored by policy makers is a major breakdown in our policy process. That policy deliberations (and public debates) about climate science are routinely at odds with the assessments of the relevant subject matter experts is a major failure of our national dialogue on the topic.

These failures have resulted, in part, because the political incentives for developing and exploring policy options have been too weak. By moving to circumvent the current political impasse to climate policy through a unilateral approach (particularly one likely to face sharp political opposition), the president may create a new opportunity for a broader consideration of options. If that happens, whether or not the president's proposed solution is sufficient, he may help to depolarize the politics of climate change and spur the consideration of new and meaningful approaches to climate change risk management.

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