

Sustainable Restructuring of Industry: Lessons from the US and Canada

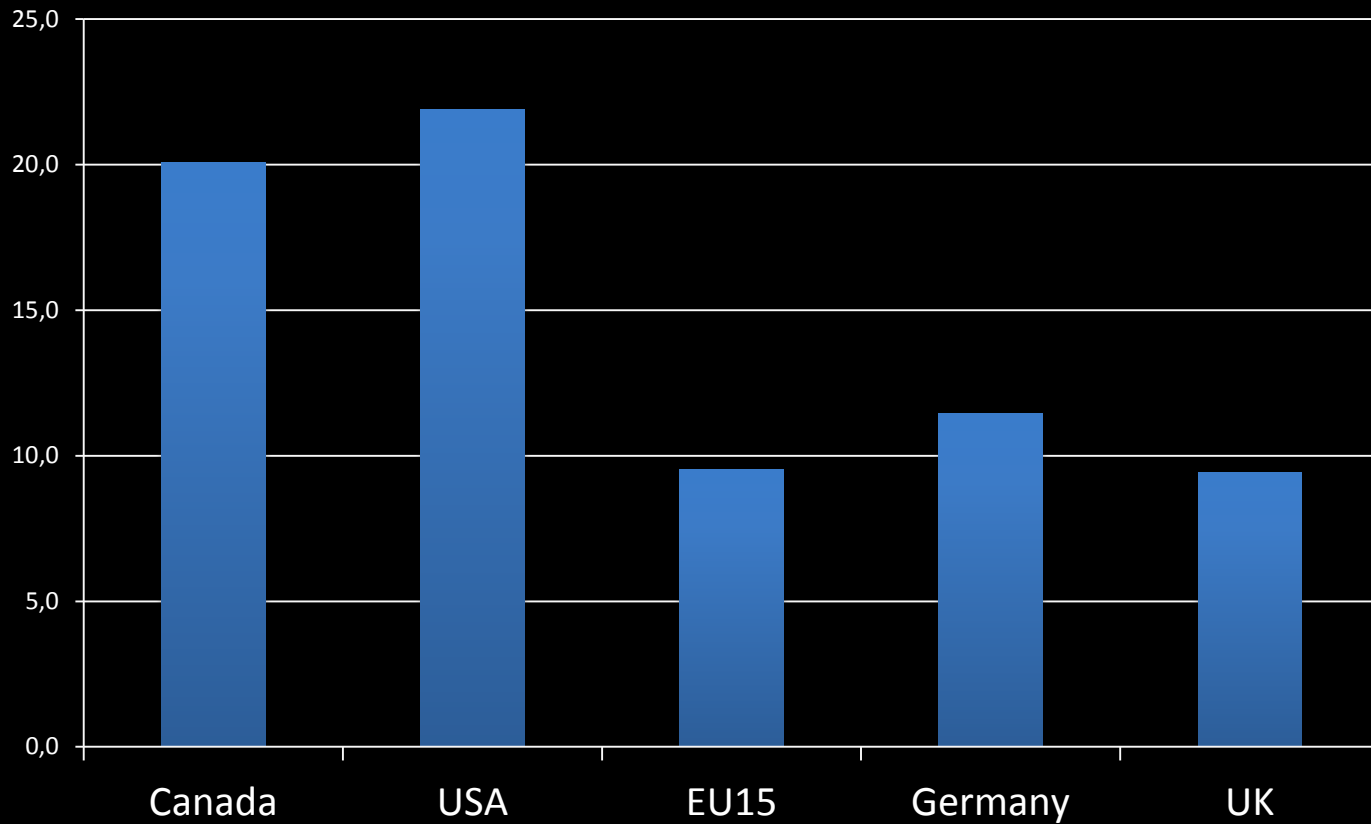
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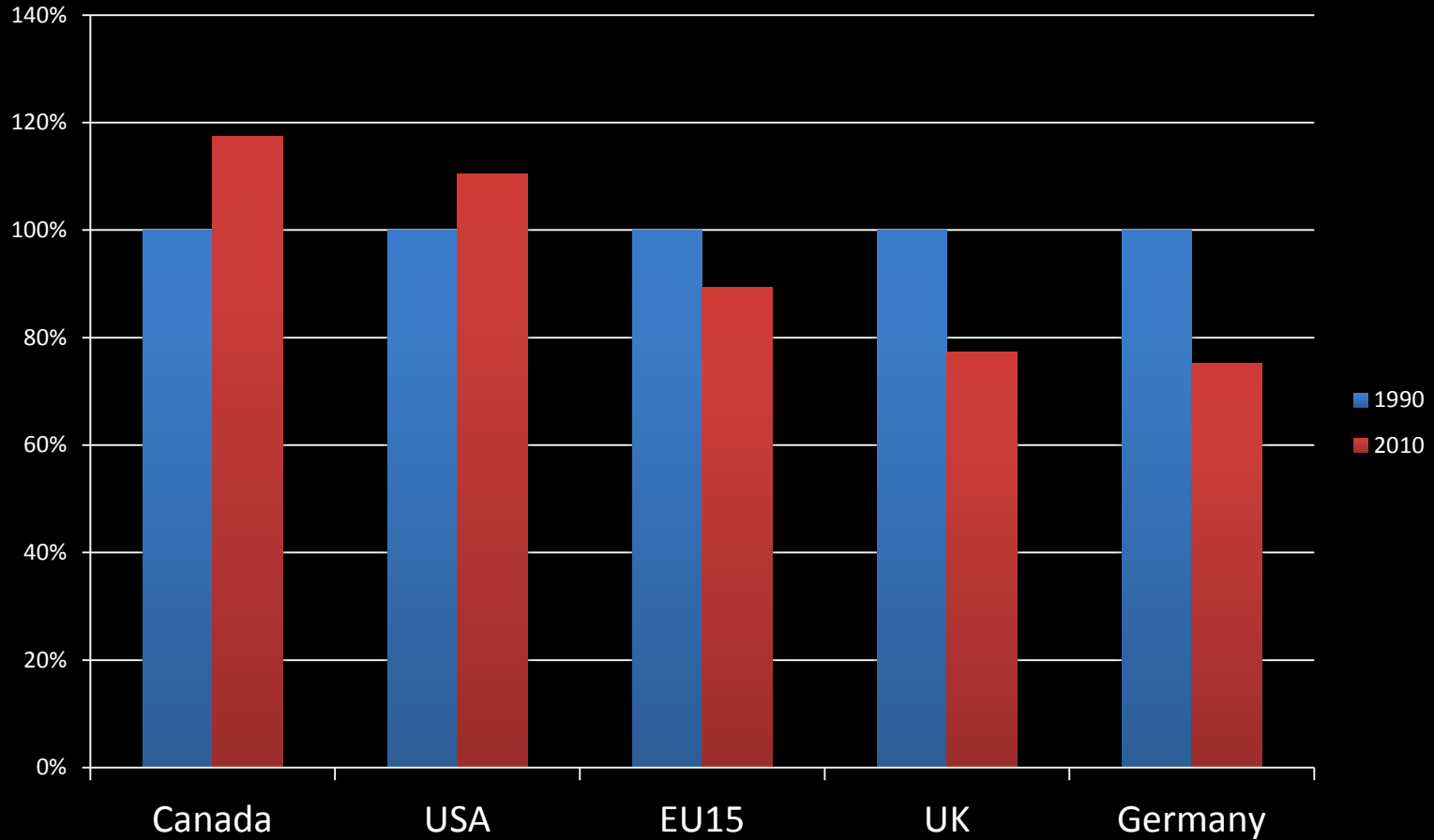
Climate Change Leaders and Laggards

- The Leader: European Union
 - Ratified Kyoto Protocol and on track to comply
 - EU Emissions Trading System for industrial sources
 - Several countries also have carbon taxes
- The Laggards: Canada and the United States
 - US refused to ratify the Kyoto Protocol; Canada ratified but then withdrew
 - With the exception of motor vehicles, neither has regulated or taxed carbon emissions nationally

Per Capita GHG Emissions (2010 tonnes CO₂eq/yr)

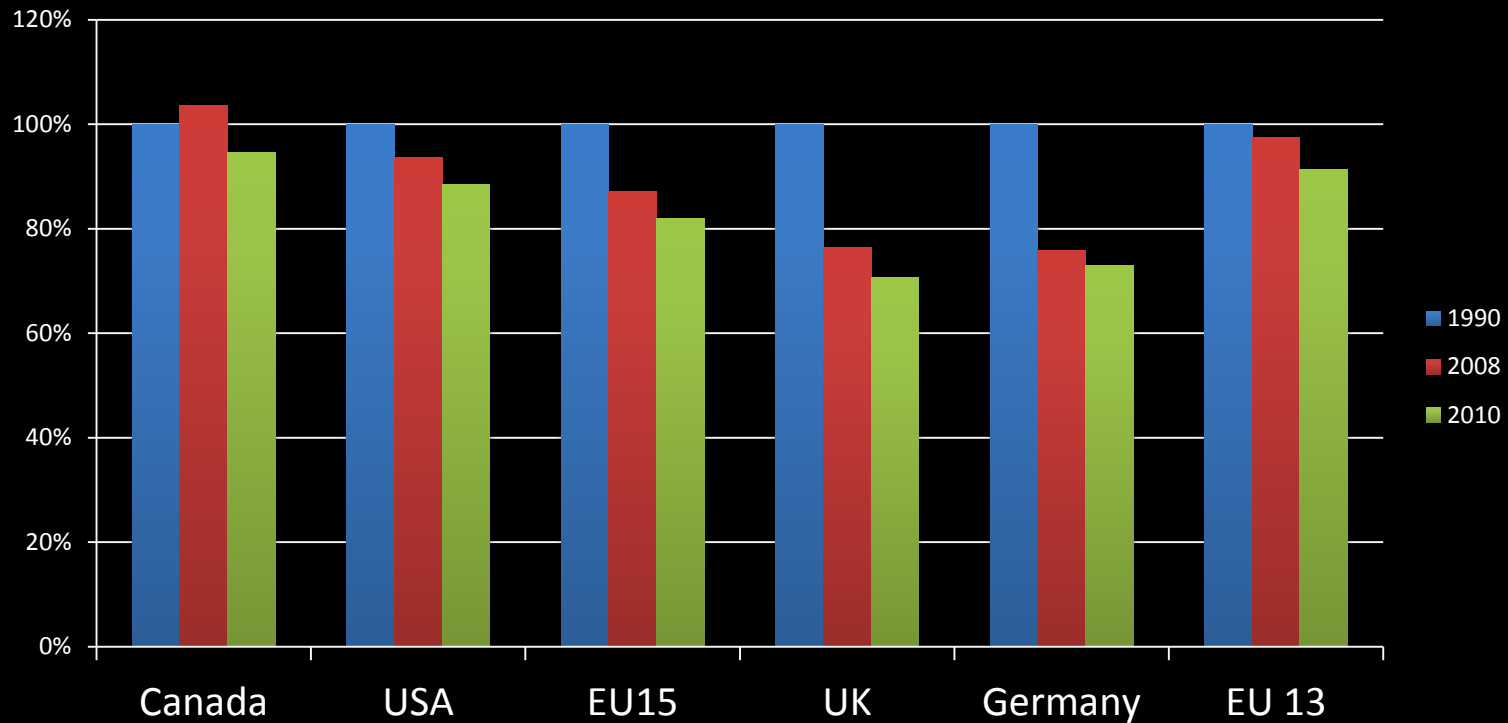


Trends in GHG Emissions, 1990-2010



The Situation is More Complex 1

Trends in CO2/person



The Situation is more Complex 2

- Production emissions
 - Emissions associated with burning fossil fuels within a given country
 - Tend to be highest in countries with fossil fuels, which are used domestically and exported
- Consumption emissions
 - Life cycle emissions “embodied” in goods consumed within a country. Aka “carbon footprint”

Why does it matter?

- Some countries' production emissions are higher than their consumption emissions:
 - Fossil fuel exporters (Norway, Australia, Canada, many developing countries)
 - Fossil fuel-intensive manufacturing (28% of China's emissions are for export)
 - Canada's emissions would be ~4.5 tonnes/person lower based on consumption

Why does it Matter?

- Some countries' consumption emissions are higher than production emissions because they are importing carbon-intensive goods
 - US emissions would be 10% higher, Germany's 25% higher based on consumption
 - Many Western European countries' consumption emissions would be 5-10 tonnes/person higher
- Developed world consumption emissions increased by 7% from 1990-2008, even as production/domestic emissions decreased by 2%

Summing up...

- Differences between Canada, US, EU tend to be overstated:
 - US trend looks better than most Western European countries after accounting for population
 - Canada looks better if consider exports
 - EU looks worse if consider imports
- BUT remains the case that the EU is making greater progress on policy!

Obstacles to Progress in Canada, US

- The more GHG-intensive the economy, the more powerful the business lobby against emissions reductions
 - Fossil fuel producers
 - Fossil fuel-intensive manufacturers
- Existing jobs have defenders, hypothetical jobs in new industries don't
 - Workers in GHG-intensive industries have often sided with employers

Obstacles to Progress

- Right-wing parties resist action (and in US also deny climate science)
- Institutional opportunities for obstruction
 - US
 - Division of powers demands high level of agreement
 - Weak party discipline means Members of Congress look out for local economy
 - Canada
 - Federalism + provincial ownership of resources + constant national unity crisis
 - Both
 - Electoral system empowers inattentive middle of the road voters

Opportunities for Progress: Lessons Learned

- Consensus is overrated!
- Executive authority
 - Obama Administration pursuing GHG regulations under existing Clean Air Act
 - Canada will match
- Federalism
 - Progress in Australia and EU in the absence of state-level consensus
 - Challenge in Canada is political, not constitutional

Opportunities for Progress: Lessons Learned

- Critical moments of bi- or multi-partisanship
 - German in late 1980s
 - Australia in 2008 (though short-lived)
 - Role for citizen assemblies?
- Economic crisis can be opportunity for restructuring
 - US bailout of auto industry was occasion for regulation
 - BC and Ireland will keep carbon taxes
 - But not automatic!

Opportunities for Progress: Lessons Learned

- Capitalizing on divergent labour and employer interests
 - Individuals may not embrace hypothetical jobs but trade unions with longer term vision can
 - Workers' interest in sustainable jobs (with transition support) vs. Employers' interest in maximizing return on capital and resources
 - Leading advocate of Australia's carbon tax is head of coal mining union!
 - Collaboration between environmentalists and labour isn't easy, but it's needed!
 - Opportunities for cross-national learning through labour movement