

Emissions Impossible: Norway Taxes Carbon, Emissions Rise

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The big debate over how to tackle climate change generally boils down to what kind of pain a climate plan will do to the economy; environmental benefits are generally assumed.

But what if the economic pain doesn't even translate into environmental gain? That's what happened in Norway, a pioneer in putting a pricetag on carbon emissions almost twenty years ago. Net result? Carbon emissions have increased 15% since then. Leila Abboud writes today in the WSJ:

It wasn't supposed to be this way. By making it more expensive to pollute, carbon taxes should spur companies and individuals to clean up. Norway's sobering experience shows how difficult it is to cut emissions in the real world, where elegant theoretical solutions are complicated by economic changes, entrenched behaviors and political realities.

For economic changes, read "growth." Norway's growth in emissions has been a lot less than its economic growth over the same period, so the economy is clearly getting cleaner. But not enough to offset the simple math of more economic activity spewing more emissions into the atmosphere. Norway's oil industry became one of the world's cleanest since it started paying to pollute; but it's grown so much in the meantime, oil and gas emissions have quadrupled, the WSJ notes.

People also learn to roll with punches. While \$4 gasoline has changed some driving habits in the U.S., \$10 gasoline hasn't in Norway-car sales surged in the last decade and people still choose expensive commutes. Does that mean expectations that pricey gasoline will end America's car addiction are overblown?

Then there's politics. Norway isn't alone in giving some economic sectors, like fishing, preferential treatment. China and India don't even want to talk about emissions curbs. Germany and Poland are rapidly backpedaling on environmental commitments to save key industries at a time of economic strife. Australia has tied itself in knots trying to figure out how to clean up a coal-fired export economy without killing it.

Which brings us back to one of the bigger questions. If Norway can't slash emissions almost two decades after slapping a hefty pricetag on carbon, what does that say about the belief that "making polluters pay" will automatically transform America's economy?

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