

# Lecture 8, Sep 30, 2022

## Why Policy?

- Allows distribution of benefits and harm
- Climate and health costs (externalities) need to be accounted for
- There is no natural market incentive because emitters don't pay for the costs of emissions

## Key Policy Instruments

1. Feed-in-Tariff
  - Small scale clean energy producers are promised a higher price for their output
  - Encourages small renewable enterprise
2. Carbon Pricing
  - Raises the cost of fossil fuels
  - Addresses externalities, but no control on total emissions
3. Carbon Permits
  - Emitters purchase permits for carbon emissions set by the government
  - Open market for permits
  - Very difficult to implement
  - Costs are passed onto the consumer

## Post-Sustainability Trilemma

- Neoliberalist ideas work resists change
- What if we can only have two of environmental protection, economic growth, and participatory government?
- Techno business-as-usual (growth + participation)
  - Neoliberal ideals
  - Environmental care depends on people's tastes, which may come too late
  - Incremental changes, not transformative policies
- Environmental authoritarianism (growth + environmental protection)
  - Democratic societies can't impose effective limits
  - A small group of decision makers is more effective
  - Drastic redefinition of what's public and what's private
  - However environmentalism and growth can become incompatible after easy efficiency fixes
- Post-growth (environmental protection + participation)
  - Curbs material desires and explores other means of flourishing
  - Requires a different way of framing and controlling the market