This is the fourth in a series of posts. The first post is <u>here</u>. The second post is <u>here</u>. The third post is <u>here</u>.

What lessons can we draw from this analysis for key climate policy debates? Here, I will focus on two key lessons, first for carbon pricing, and second for the use of mass movements to drive climate policy.

For carbon pricing, the takeaway is that it is a poor tool to initiate climate policy sequencing with, and will generally work best as a subsidiary policy tool, or a follow-on to regulatory or subsidy approaches. Carbon pricing makes the cost of climate change extremely salient to all - that, in fact, is one of the virtues that economists point to, as a driver of the economic efficiency of climate change. But that means that carbon pricing will impose clear costs, often on economically powerful industries (such as the oil and gas industry) in order to provide diffuse benefits for the population at large (by addressing climate change). That is a recipe for very difficult politics, and indeed, carbon pricing has a poor history of political success. Moreover, carbon pricing is unlikely to drive the kinds of technological innovation and political economy changes that sectoral subsidies can produce. The levels of carbon pricing required to drive the investments that produce political economy and technological innovation benefits are just not politically feasible. That is especially true if carbon pricing is made economy-wide - again, as economists argue based on efficiency grounds. Economywide carbon prices basically initiate a frontal attack on all incumbent interest groups that benefit from the status quo, without providing significant benefits to other interest groups. It is no surprise that generally speaking, even where they have been enacted, carbon prices tend to be low, with significant exemptions for powerful industries.

Carbon pricing thus is not an effective approach politically, nor can it likely drive the kind of technological innovation we need to address climate change. What it can be useful for is as a secondary tool – for instance, in California, historically carbon pricing only accounted for a small fraction of the emissions reductions produced by the states portfolio of climate policies. And carbon pricing may have more success when other policies such as subsidies or regulations have built a political groundwork (by building up interest groups that would benefit from carbon pricing) and a technological groundwork (by reducing the costs of clean energy technologies) such that carbon pricing is more feasible. Thus, in many countries carbon pricing has been preceded by subsidies or regulations, and even then it is usually one component of a larger mix of policies.

Another approach advanced by academics and activists is a policy approach that is driven by, and designed to inspire, a mass movement to push for climate action. Inspired by <u>the</u> <u>work of sociologist Theda Skocpol</u>, the argument is that mass political mobilization is required to provide negotiating leverage against incumbent fossil fuel interests, and to pressure elected officials to undertake climate action. Most proponents argue for directly connecting climate policy to range of other (usually left-wing) policy goals, such as economic inequality, racial justice, improved public education and public services, as well as public ownership of energy infrastructure. The argument is that these changes will provide strategic benefits – linking climate policy, which is a relatively low priority among voters, to other social and economic policies that are more important is supposed to increase the support for climate policy. In addition, many of the proponents believe that a "just transition" to decarbonization means that many of these additional policy goals are required. This approach was the basis for activist groups like the Sunrise Movement, and it was the inspiration for the Green New Deal.

But there are also questions about how effective this approach can be. Skocpol and others have framed this approach as required to address the political polarization on climate policy in the United States and elsewhere, with Republicans in the United States, and right-wing populist movements elsewhere, rejecting climate action. Given that polarization, the argument goes, bipartisan cooperation is a pipedream. Only mobilization of the public can force elected officials to act and overcome the stalemate produced by polarization.

However, raising the salience of climate change by connecting it to a range of progressive policy goals may not be an effective way to address polarization. Higher salience issues may inspire polarization on a topic, as they become more effective for politicians to motivate their core supporters by emphasizing distinctions with opposing parties. And it is unclear how connecting climate change to progressive policies will overcome polarized political divisions – mobilizing more people on the left will not encourage support from centrists or those on the right. And indeed, associating climate policy with the Green New Deal now appears to reduce support for climate policy.

In my next three posts, I'll wrap up by discussing how sequencing can maintain itself over time, how it can scale across jurisdictions and sectors, and also discuss lessons from the most recent election in the US for climate policy going forward.