

SSN Forum on Building Democratic Support for Equitable Carbon Pricing

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Raising the price of carbon dioxide emissions would mitigate climate damage by reducing demand for non-renewable energy sources like oil, coal, and natural gas. But can we forestall new economic burdens for Americans with low or middle incomes? SSN experts explore the issues and suggest ways to design economically equitable carbon pricing programs with broad democratic appeal.



[The Challenge of Forging Sustainable Climate Policy](#)

James K. Boyce, University of Massachusetts Amherst

"Climate policy can directly put more money into the pockets of the majority of American households, protecting the real incomes of middle class and low-income households even in the face of rising fossil fuel prices. However, this can be done if, and only if, most or all of the revenue from carbon pricing is returned to the public in the form of equal dividends to every woman, man and child. Dividends work and they are essential for a sustainable climate policy."



[Building Support for U.S. Climate Reforms with Universal Benefits](#)

Michael M. Howard, University of Maine

"Americans in general dislike tax increases, and a tax in the form of carbon fee that raises energy prices could be doubly unpopular. For middle and low-income households, the increase in energy costs would be significant. But if revenues are returned to people through dividends, the picture would change, because most households would see overall financial gains. With dividend payments, Americans would know the pay-offs they are getting when they receive a check or monthly bank deposits."





The Politics of Equitable Climate Policy

Leah Stokes and Matto Mildenberger, University of California, Santa Barbara

"Subsidies for low-carbon technologies can be a powerful social policy. Such subsidies are more than a way to reduce the risks of climate change. They also have the potential to equalize access to new technologies and reduce economic inequality. For that reason, part of the new revenues raised from a carbon price should be channeled into these valuable programs – to ensure that economically disadvantaged Americans gain the same access to new green technologies as all others, and are not left behind in the emerging low-carbon economy."



A Citizens' Approach to Carbon Equity: Voting on Rebates and Collective Investments

Peter Dorman, Evergreen State College

"Of course, climate change, if unchecked, will devastate the most vulnerable communities, and this is an important reason for taking mitigating steps. But it is politically and morally unacceptable for climate reformers to downplay the reality that most households would be vulnerable to rapidly rising energy prices propelled by any new carbon pricing scheme. Carbon pricing policies must include, plans for the equitable distribution of revenues. Let all citizens know that revenue uses will include rebates as well as public investments – and that the public will vote periodically to shift carbon revenue allocations in ways acceptable to the majority. This approach could spread benefits and build public faith for the long haul."



The Challenge of Putting a Price on Carbon Emissions in the United States

Tabitha Benney, University of Utah

"Innovations and learning may drive American leaders to prefer one or another approach to carbon pricing in the future, but preparing for both emissions trading and carbon tax approaches, with various uses for any revenues collected, will put us in the best position to make feasible and equitable choices and adjust as we go along. Furthermore, a phased in, multipronged approach to carbon pricing would be the most likely to prove fair and practical, yet flexible and increasingly potent. "

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