

## Online debates demonstrate public skepticism about carbon trading

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Michael Wara of Stanford, together with Kevin Smith of Carbon Trade Watch and Platform and others, have won the Economist magazine's online debate on carbon offset trading against Henry Derwent of the International Emissions Trading Association, businessman Mark Trexler and others.

Some 55 per cent of readers voted in favor of the resolution: "This house believes that carbon offsets undermine the effort to tackle climate change"

Emma Duncan, the moderator, had this to say:

"It is no great surprise that the proposition was carried. From the beginning of this debate, the voting pointed in that direction, and it was clear from the comments that a majority of the audience shared Michael Wara's concerns with both the principle and the practice of offsetting. The opposition put up a strong fight, and the gap between the sides has shrunk somewhat during the course of the debate, but it never looked like winning.

"Reading the speeches, the guest statements and the comments, I reckon that three points counted strongly against offsets. The first was additionality. Many people struggled with the notion that it is possible to build a system on the basis of an unknown counter-factual: what would have happened without a market for offsets. Henry Derwent, for the opposition, pointed out that offsets have this in common with all sorts of government schemes – anything involving handing out grants, for instance – but that did not satisfy everybody.

"The second big objection to offsets was about innovation. While Mr Derwent's point that offsets can at least in principle allow for the lowest-cost emissions reductions was broadly accepted, some reckoned that this efficiency had a downside. The more low-cost offsets rich-country companies can buy, the less incentive they have to develop the technologies necessary to moving the world on to a low-carbon path. And without those technologies, cutting emissions would mean politically unacceptable cuts in growth.

"The third problem which some people have is a moral one. There is a sense that offsets let rich countries off the hook – that, somewhat like papal indulgences, they let the wealthy buy their way to redemption instead of changing their behaviour. I don't have much sympathy with that view – I'm more interested in solving the problem than in punishing the guilty – but this debate has made me focus on the other two issues far more clearly than I had done before.

"The politicians and officials at the centre of the climate-change negotiations need to take these concerns into account. As everybody expected, Poznan has come and gone, leaving barely a ripple behind it. Now preparation starts for the conference that actually matters, in Copenhagen in December 2009. The question of how to get emerging countries involved in cutting emissions, and how to transfer funds to them to encourage them to do so, will be central to replacing the Kyoto Protocol. Our debate has demonstrated that a specialised and well-informed audience is deeply sceptical about the ability of the United Nations' Clean Development Mechanism (CDM) to achieve those two aims effectively. The people running this process therefore need urgently to do one of three things: to convince people that the CDM works, to improve it or to replace it."

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Further reading: Offsets under Kyoto – A Dirty Deal for the South Â