



Climate Change, and the Policy Dilemma

The Problem and a Solution.

Background

Governments in New Zealand face a policy dilemma.

New Zealand has a long history of taking leading edge positions on public policy issues, and has a proud tradition of leading political and social change. More recently, especially during the term of the fourth Labour Government, New Zealand was a world leader in economic reform.

Our natural instinct is to join any world-wide movement,¹ and to be one of the “leaders of the pack”.

Consequently, when the international community, and the United Nations in particular, decided that the risk of anthropogenic global warming was a major threat to present and future generations, New Zealand Governments lined up to support any initiatives needed to solve the problem.

New Zealand was among the first nations to sign up to the Kyoto Protocol and to commit to its implementation.

It would be unfair to say government was “ahead” of the New Zealand public. New Zealanders want to “do their bit” and “shoulder their fair share of the load”. They have been willing to send their troops into foreign conflicts, even when there appeared to be no clear and present danger to our national wellbeing. New Zealanders have also been among the world’s most generous donors when tragedy strikes – whether they be tsunamis devastating the poor economies of South East Asia or hurricanes striking the wealthy communities of the Southern Seaboard of the United States.

And yet, the Government finds its Kyoto policies in tatters and can find little consensus on where to go from here.

¹ New Zealand is a signatory to over 1200 international agreements – the world record.

This leaves a policy gap and an air of dangerous uncertainty. When policies are abandoned in haste, new ones are likely to be implemented in haste. Politics abhors a policy vacuum.

Such uncertainty means all our interests will be served by competent analysis of the situation and the development of suitable policy options.

Both the *Climate Science Coalition* and the *Centre for Resource Management Studies*, believe there are good reasons to be skeptical of the science, economics and modeling techniques which support the belief that anthropogenic global warming poses a serious threat to our future welfare.

Our skepticism is supported in part by this extract from the most recent report (2001) of the *Intergovernmental Panel on Climate Change* (IPCC) at page 97:

The fact that the global mean temperature has increased since the late 19th century and that other trends have been observed does not necessarily mean that an anthropogenic effect on the climate system has been identified. Climate has always varied on all time-scales, so the observed change may be natural. A more detailed analysis is required to provide evidence of a human impact.

The position taken by the Climate Science Coalition is informed by its climate scientists whose views can be found on the Coalition's website www.climatescience.org.nz

We are even less convinced that the Kyoto Protocol is an appropriate and effective response even to hypothetical warming – especially for New Zealand.

We accept there is always a risk that unforeseen events can create warmer or cooler climates round the world. Unfortunately, Governments and pressure groups tend to adopt “preventative” policies without considering the case for adaptation. This is curious, if only because one reason humans exist in such large numbers is our remarkable ability to adapt to changing climates in times past. Indeed, some evolutionary biologists argue that past climate change stimulated the development of human intelligence because intelligence enables adaptation and adaptability was a clear evolutionary advantage.²

We do accept, however, the reality that our Government, like many others around the world, remains convinced of the validity of risk of anthropogenic global warming, or assumes that a precautionary approach to policy development and implementation is warranted.³

We accept therefore that we live in a political environment where Government is determined to respond in some way, and that this may well have public support.

However, we also believe that the *Climate Science Coalition* and the *Centre for Resource Management Studies* can contribute to the development of policy which minimises damage to our economy and may even meet the test of “least regrets”.

² Hence the centrality of the scientific debate as to whether recent warming is the result of solar activity or human activity. If solar activity is the driver then adaptation is the only option.

³ We are not saying we agree – we just accept the reality.

A “least regrets” approach would aim to develop policies, which deliver a net public benefit, even if they are later proved to have been partly based on one or more false assumptions.

For example, if fears that methane contributes to anthropogenic global warming encouraged scientists to improve the productivity of New Zealand ruminants, then, even if the initial assumption proved false, the economy would still benefit from increased productivity in the pastoral sector. Similarly building up top-soil to sequester carbon is likely to deliver wide ranging benefits to the economy and to the environment, regardless of any impact on global temperatures.

What is the Underlying Problem?

The New Zealand born social scientist, Professor Aynsley Kellow,⁴ now living in Australia, has made the success and failure of public policy his field of study for many years. Recently he has turned his attention to the failure of the Kyoto Process which contrasts with the comparative success of the Montreal Protocol designed to protect the ozone layer.

Kellow points out:

Everyone from Al Gore to Mustafa Tolba, then Executive Director of the UN Environment Program, stated that Montreal would be the model for a climate change convention. In Tolba's case, he said it in 1987, before most of us thought there was a problem to respond to.

He explains that the model had been ‘codified’ by Brenton, in his book *The Greening of Machiavelli*, and contains four features:

- 1 The use of toe-in-the door negotiating techniques, which involve little substantive content but are open-ended and allow for the development of more meaningful commitments subsequently. (i.e. *the Framework Convention on Climate Change*).
- 2 Reliance upon a scientific consensus to produce agreement (the *Intergovernmental Panel on Climate Change*).
- 3 Reliance upon strong “normative injunctions” to “save the planet” which negotiators find difficult to resist (German newspapers calling George W. Bush a 'climate killer'; the Scottish leader of the Liberal Democrats calling him a mass murderer; talk of a “holocaust” from the Nauru Premier).
- 4 The activities of non-governmental actors in putting pressure on reluctant parties – often combining points 2 and 3 in an ecocentric moral discourse, such as Greenpeace's sworn allegiance to ‘The Laws of Nature’ which it places above the laws of man. (This activity is important because the UN is prevented by the Charter from engaging in the domestic politics of its members. But NGOs can exert pressure on governments in favour of UN proposals.)

⁴ Professor Kellow is Head of the School of Government at the University of Tasmania. He was previously Professor of Social Sciences in the Australian School of Environmental Studies at Griffith University. He is coauthor (with Sonja Boehmer-Christiansen) of *International Environmental Policy: Interests and the Failure of the Kyoto Process*.

Clearly, the ingredients were all there with Kyoto and were there by deliberate design. And yet Kyoto has failed, both at the international level and in New Zealand at the level of specific policy implementation.

The International Level Failure.

We shall deal with international failure only briefly, because it is not the focus of this paper.

The United States has effectively exited from the Protocol and has joined with Australia, China, India, Japan, and South Korea to establish the *Asia-Pacific Climate Partnership* (the AP6). This alliance of six countries intends to focus on the development of clean energy and low-emissions technology, rather than binding their economies to meet pre-determined emissions targets. The UK and Russia have both indicated they will not sign up to the second round.

This means that the protocol has failed to generate long term responses supporting the objective of the programme.

Kellow argues that this international failure is due to several inadequacies.

First, the economic “interests” surrounding anthropogenic climate change were much stronger, and more critical to national economies, than the economic interests surrounding the protection of the ozone layer. These “interests” were also distributed unevenly among the participating parties.

While it may not have been intended, the selection of 1990 as the base year for emission reductions had the effect of hugely advantaging Germany and the United Kingdom, and consequently the European Union. Furthermore, the Kyoto Protocol itself was designed to align with the economic interests of the European Union. Consequently the protocol did not necessarily align with the interests of the hundreds of other economies – regional and national – around the world. Consequently many were exempted from its obligations.

Also, the atmospheric and climate science proved to be weaker than many supposed. The economic inputs into the models proved to be even weaker, and more contentious, when examined by economists such as Professor David Henderson⁵ and statisticians such as Ian Castles⁶.

For example in a letter to Dr Pachauri, Chairman of the IPCC, Ian Castles wrote:

The pernicious consequences of using this false method of measuring output [Market Exchange Rates rather than PPP] are apparent in the analysis of greenhouse issues in the *World Development Report 2003*, released by the *World Bank* last week.

For example, the Bank argues that “non-OECD countries use ... 3.8 times as much energy per dollar of GDP” [as OECD countries], and claims that “This disparity

⁵ Visiting Professor, Westminster Business School, and formerly Head of the Economics and Statistics Department of the Organisation for Economic Cooperation and Development (OECD).

⁶ National Centre for Development Studies Australian National University, Canberra. Australian Statistician (1986 to 1994), and head of the Australian Department of Finance (1979-86). Former President of the International Association of Official Statistics (IAOS)

suggests looking for ways that developing and transition countries can increase efficiency and reduce fuel costs---with reduced GHG emissions as a welcome side-benefit" The Bank goes on to wonder "why these apparent 'win-win' situations are so elusive", and decides that the answer lies in two types of institutional failure: "distortions in energy policy [which] benefit special interests", and the neglect by firms and households of profitable ways of saving energy "because it is simply too much trouble to pursue them" (p. 177).

There is a simpler answer to the question that the Bank poses. The assumption of a huge margin of difference in energy intensity between OECD and non-OECD countries, which the Bank is seeking to explain, is false. The ratio of use of energy per unit of GDP in non-OECD countries to that in OECD countries, calculated using PPPs rather than the spurious exchange-rate conversion basis favoured by the Bank (and the IPCC), is not 3.8:1 but 1.2:1.

These false assumptions of relative economic performance have permeated departments and agencies in New Zealand. For example, in a major paper, highly critical of the IPCC economic methodologies and measurements, Prof. Henderson writes⁷:

"In the [IPCC Working Group III Report], the old-style HDR [Human Development Report] is taken as the source for comparisons of GDP per head between rich and poor countries which are flawed. The report quotes an early HDR as saying that 'in 1988 the richest fifth of the world population received 82.7% of the global income, which is nearly 60 times the share of the income received by the poorest fifth (1.4%)'; and ... that since 1988 this relative gap had widened."

This mistake has long been recognized and when properly measured the ratio is dramatically reduced and the relative gap is actually closing. However, in the report "*See Change: Learning and Education for Sustainability*"⁸ the New Zealand Parliamentary Commissioner for the Environment" maintains the fiction as follows:

"In a world of limited resources these sorts of calculations raise serious concerns about global equity. New Zealanders are part of the 20 percent of the world's population who consume more than 80 percent of the world's resources, although there are huge inequalities in consumption within New Zealand."

In the Commissioner's report, earning income has been turned into 'consuming resources'. One wonders how the highly paid actors in *Lord of the Rings* were unfairly consuming the world's resources? Who was deprived of their rightful share by the stars' on camera performances? The destruction and mayhem was not real.

⁷ Henderson, David: "SRES, IPCC and the Treatment of Economic Issues: What has Emerged?" *Energy and Environment*, Vol 16, No 3&4, 2005. (page18)

⁸ The use of "See" instead of the expected "Sea" is deliberate, albeit unfortunate.

However, we do not wish to dwell on these scientific or economic inputs into the models in this paper. Those issues are being robustly debated elsewhere and will continue to be so.⁹

The Failure in New Zealand.

The public policy failure in New Zealand is plainly attributable to the failure of the Kyoto Protocol to align with the interests of the New Zealand economy.

This suggests that any New Zealand Government, which seeks to address the assumed problem of anthropogenic global warming, even on a “no regrets” basis, will have to identify our own interests more clearly, adopt policies which are aligned with those interests, and then combine with Nations which share those interests, and whose governments will presumably be adopting similar policies.

The policy failures in New Zealand are well documented.

1 The Methane Tax

First, the Government proposed to introduce a tax on agricultural methane – the so-called “fart” tax.¹⁰ The farming community mounted a major campaign against this tax, driven by a mix of humour and stunts but also supported by the science and economics of our own agricultural sector. The *Centre for Resource Management Studies* produced a paper for Federated Farmers which concluded with “Ten Points to Ruminant On”, including the following:

4. *Africa is full of belching ruminants including elephants. Africa does not have to sign the Kyoto protocol.*
5. *The biggest sources of “anthropogenic” methane are the rice paddies of Asian nations. The Asian nations are not required to sign the Kyoto protocol.*
7. *While our own dairy cow numbers are rising, beef cattle and sheep numbers are falling sharply. Dairy cows feed on high quality pastures and hence produce less methane per unit than sheep or beef. Our total ruminant population is only 16 million beef equivalents – and is falling.*
8. *Canada has decided that the impact of their own 13 million beef cattle on global methane levels is insignificant.*
9. *India tops the methane pops with 280 million genetically inferior beef equivalents all munching on inferior feed. If India increased its farming efficiency to anything like our own, their methane production would drop by a half or more.*
10. *We are presenting ourselves to the world as the methane “bad guys” while in reality we are the “good guys”. What drives this desire for self-flagellation?*

⁹ To read the correspondence between Henderson and Castles and Dr Rajendra Pachauri, Chairman of IPCC, go to: <http://www.lavoisier.com.au/papers/articles/IPPCissues.html>

¹⁰ “So-called” because the majority of ruminant methane is “burped” through the mouth as a result of the ruminant processes in the stomachs.

A litre of milk produced by New Zealand dairy farmers has generated less atmospheric methane than a litre of milk produced anywhere else in the world. So why should the New Zealand Government punish our farmers for being the most methane efficient in the world? If Government wanted to reduce global methane emissions the best thing it could do would be to assist those nations with poor genetic stock and poor feedstocks to improve their efficiency. Wiping out every sheep, deer and cow, and other ruminants in New Zealand, would make no measurable difference to global methane production.

So why did our Government even consider punishing our farmers with such a tax?

They were directed to do so by the general thrust of the Kyoto Protocol which was designed to align with European economic interests. When European Governments were hinting at methane taxes they were simultaneously reassuring their farmers that subsidies would be increased to make sure they were not really hurt.

A methane tax might “align” with European interests but it certainly does not align with our own. Government had to abandon the methane tax for that reason.

2 The Carbon Credits for Forestry

The idea that forests could generate carbon credits which could be sold into a credit hungry world was immediately attractive to the Government of a country in the middle of a major expansion of its forestry sector, and in which trees grow remarkably quickly.

Hence, the Government implemented a carbon credit scheme for our forests in the belief that New Zealand would profit from carbon credit sales.

However, the Government decided that these credits would be owned and traded by the State rather than the owners of the trees. Hence the credits provided no incentive for increased planting. At that time forests were being planted at such a rate, and appeared to be such a sound investment, that Government assumed the planting would continue even without the credits accruing to the owners. The ink was hardly dry when the forestry industry entered a period of low prices worldwide and dairy farming became a much more attractive use of land.

All over the country pine forests were converted into pasture and new plantings slowed down or were abandoned.

Government then found that rather than having carbon credits to sell it would have to buy in credits at a cost estimated at that time to be between five hundred million and a billion dollars.

Almost overnight, a Kyoto created asset had turned into a massive liability.

3 The Volatile Carbon Market

The Government has had something of a reprieve because the Carbon Credit market has proved to be highly volatile. Some European countries have revised their projections and now find they are well short of their projected emissions. Hence they will not be buyers and naturally the price has collapsed – from over 30 Euros a tonne to only 8.6 Euros a tonne in

December 2006. This may be good news for buyers but it is bad news for those who had invested funds into this market, or who had made investment decisions in forests etc on the basis of much higher prices.

Investors will be more cautious in future. The problem with international carbon trading markets is that it is difficult for nation states to calculate their future carbon emissions with any accuracy, and even more difficult to calculate their sequestration or absorption. Hence, it is easy for less honest or opportunistic nations to revert to creative accounting to serve their own interests. There are no independent “auditors”.

In hindsight we can see why Enron was such an enthusiastic promoter of carbon trading.

4 The Carbon Tax

Taxing carbon as a means of discouraging CO₂ emissions seems a logical move towards rewarding outcomes which are assumed to be desirable, while penalising outcomes which are assumed to be undesirable. This must have seemed particularly “reasonable” to the European policy makers, given that so much of their electricity is generated by nuclear power, natural gas, hydro-power in the North, and heavily subsidized wind power.

Our own policy advisers had persuaded the New Zealand Government that a carbon tax would be doubly good for our economy because it would not only reduce greenhouse gas emissions but encourage our economy to become more “energy efficient”. In this they were following the lead provided by the World Bank and the IPCC. (See the correspondence between Castles and Pachauri referred to above.)

Here in New Zealand both the *Parliamentary Commissioner for the Environment* and the *Energy Efficiency and Conservation Authority* were convinced that New Zealand is “one of the most inefficient users of energy in the world”.¹¹ They base this claim on the fact that New Zealand uses more energy per unit of output than most other modern economies.

This may be true, but does not mean we are an “inefficient user of energy”.

For one thing, we have a very low population spread over a large area, which extends over long islands dominated by hilly and even mountainous territory. Hence our transport costs are high compared to a high density, compact, and flat country, such as Belgium.

We also export our produce to distant markets. We burn more fuel getting our produce to the Belgian market than Belgians burn getting their produce to Germany.

Even more importantly, New Zealand has enjoyed many decades of access to low cost hydro-electric power. Hence, the cost of electricity, as an input of production, has been lower than in most economies where electricity has been, and remains, more expensive and more polluting.¹²

¹¹ Parliamentary Commissioner for the Environment. *See Change: Learning and Education for Sustainability*. Page 28

¹² And genuinely polluting; carbon dioxide is not a pollutant. Ask any plant or tree.

Naturally, because electricity costs less than in other countries we tend to use more of it. This is one of our comparative advantages. We should not reduce our use of electricity to meet some ill-conceived “benchmark”. This would be like taxing grass to reduce the consumption of grass by our livestock on the grounds that “we are one of the most inefficient users of grass in the world”. We use more grass per dollar of GDP than most countries because our major feedstock (grass) comes at a low cost all year round. Many European farmers have to keep their livestock indoors for much of the year.

Similarly, Australia generates most of its electric power from coal because coal is so plentiful and cheap. This does not make Australians “inefficient users of coal” compared to European countries. In fact they mine and use their coal very efficiently. Otherwise it would not be cheap.

The end result of this access to low-cost power is that New Zealand’s economy is relatively energy intensive – which has nothing to do with energy inefficiency. We smelt aluminium because the Tiwai Point smelter has access to large amounts of low-cost renewable hydro-power.

We exported \$3.2 billion dollars worth of milk powder in 2002 – 45% of total dairy exports. Drying milk powder is an energy-intensive operation. But our drying technology is modern and energy efficient – probably the most efficient in the world.

Government’s advisers on such matters do not appear to understand the distinction.

5 Carbon Tax withdrawn

The end result of this poor policy advice was that once the Government introduced the carbon tax (in 2002 to take effect in 2007) it soon found that this “benign” policy was about to decimate our major industries. A carbon tax set sufficiently high to reduce CO₂ emissions would make many of our major industries uncompetitive in the world market.

For example, if *Comalco* moved its smelter to Australia, to avoid the carbon tax on electricity¹³, the end result would be bad for the environment, bad for the economy and actually increase global emissions of CO₂.

New Zealand would lose an industry worth millions of dollars. There would be a substantial increase of global emissions of CO₂ from Australian coal-fired power. A third of the Manapouri hydro water would have to be spilled because the transmission system would be unable to redistribute all the power. It would cost hundreds of millions of dollars to upgrade the grid.

The end result of such a policy would be that Government would have to exempt many of our large corporations while continuing to tax the small businesses which dominate the New

¹³ The way the electricity market works, even users of hydro power would pay the carbon tax because the highest power price sets the price for all.

Zealand economy. This favouring of large multinational corporations would not have sat well with the electorate.

Government did the sensible thing and cancelled the carbon tax in December 2005.

6 The Resource Management (Climate Protection) Amendment Bill

The Green Party has persuaded the Government to introduce this Bill because, they claim, the removal of the carbon tax requires a stop-gap measure to “protect the climate” until the Government can get its national policies and standards in place.

This “stop gap” law gives Regional Councils wide ranging powers “to allow regional councils to control discharges to air of greenhouse gases on the basis of their effects on climate change.”

If we trace through the definitions of “greenhouse gases”, “indirect greenhouse gases” and the sources referred to in the Kyoto definition of “sources” of greenhouse gases, it becomes apparent that this Bill can be used by virtually anyone to oppose any application which requires an air discharge consent. The Bill also enables Regional Councils to capture all manner of activities within the air discharge consent procedure which have previously been exempt.

The Green Party explanation makes this intention clear when it says:

Local government can, through its influence on transport and land use planning, and its transport policy have a major impact on greenhouse gas emissions from motor vehicles.

This Bill is intended to open the door for Regional Councils to require air discharge consents for major land use consents on the grounds they will generate traffic, and hence discharge greenhouse gases to air. This in turn allows for a new wave of objections on the basis of the effect of greenhouse gases on climate change. (**Note:** the definition of “indirect greenhouse gas” includes carbon monoxide which directly captures motor vehicle exhausts.)

Anyone filing an application for a resource consent with a District Council now has to contend with the risk that an objector can argue that a discharge consent is now required from the Regional Council – because somewhere along the way, some carbon dioxide, carbon monoxide, methane or other greenhouse gas will be emitted to air.

These are huge uncertainties and will further discourage investment in New Zealand commerce and industry, and of course in transport and other infrastructure.

Sadly, any impact this legislation may have on the emission of greenhouse gases, if any, will be so trivial as to have no impact on global climate.

On the other hand the costs to the people and communities of New Zealand, and to the economy at large, will be massive.

Legislation which imposes high costs while generating no benefits fails to pass the test of “promoting net public benefit”.

Poor Advice – Poor Policy

This is a sad record of policy making.

Policies have been hastily introduced and as hastily abandoned. Stop-gap legislation has been introduced to fill the policy vacuum. The market now faces massive uncertainties. Such uncertainty severely discourages investment.

Yet New Zealand’s Parliament and the Executive are not entirely to blame, and equally they are not alone.

As Professor David Henderson observes in his several papers on this matter, but in particular in *Governments and Climate Change Issues: The Case for a New Approach*, there has been a notable lack of involvement of economic advisers, economics ministries or Treasury officials in the process of policy development in this area. He writes:

Three years ago, I and my Australian co-author Ian Castles, wrote of these economic departments and agencies:

“That they have so far held aloof, and left the handling of economic issues in the IPCC process to others, is surprising as well as unfortunate. An article in “The Economist” (15 February 2003) that commented on our critique, noted that, in relation to issues of climate change policy, ‘vast sums are at stake’. Yet the questionable treatment of economic issues in ... the IPCC’s Third Assessment Report, which as independent outsiders we have drawn attention to, in this, and our previous article, seems not to have been noticed by a single official in a single finance or economics ministry in a single country.”

Three years on, I have, alas, no reason to amend or qualify those words.

And later, in the same paper, he makes a recommendation:

The essential point is that the responsibility for dealing with economic issues relating to climate change should no longer be left with environmental departments and agencies alone.

His summing up is equally to the point:

In relation to climate change, governments are mishandling the issues. The IPCC process, to which they have assigned a virtual monopoly, is deeply and increasingly flawed, both in its treatment of economic aspects, and more generally. Governments should think again. Rather than pursuing, as a matter of urgency, ambitious and costly targets for curbing CO2 emissions, they should take prompt steps to ensure that they are more fully and more objectively informed and advised. This requires official action on two fronts: first, to improve the IPCC process by making it more professionally watertight; and second, to bring to an end the Panel’s monopoly status by providing for other sources of information and ideas.

Conclusion and Recommendations

The New Zealand Government should accept Professor Henderson's general cautions and recommendations regarding the development of climate policy; they are generally applicable to all governments everywhere.

There is an ideal opportunity at this time. The Government has a new Minister of Energy and Minister Responsible for Climate Change who can take this opportunity to develop his own approach. Also Government should be preparing now for the IPCC review due for release in 2007, and developing a strategy for dealing with it. We should be prepared to accept Prof. Henderson's recommendation that this should be more than an unquestioning acceptance of the wisdom which prevailed at the time of ratification.

The world has moved on since then.

The New Zealand Government should also accept that it must develop policies which align with the state of the science and with our own interests, and with the way our own economy operates in the world.

We are not a part of Europe. Furthermore, we cannot pursue closer economic relations with Australia while pursuing policies which drive our economies down divergent paths in relation to energy use, resource management, and taxation.

Australia is offering higher incomes and lower taxes to New Zealanders and to other potential immigrants. We cannot afford to impose wide-ranging carbon taxes, or specific but disabling taxes such as the methane tax, while Australia remains neutral.

Europe has developed its own regime and has pursued its own interests and acknowledged its own regional alignments.

New Zealand should not be afraid to develop policies which recognize and relate to our own interests and which are aligned with our own major trading and defence-related partners.

The Kyoto protocol is simply not for us. Indeed some would say it is already dead.

Instead, we should explore the opportunity to align with the Asia-Pacific Grouping and learn from their ideas and contribute our own.

In particular we should develop our own science to guide our own policy development.

For example we should immediately mount major research programmes to establish the relative carbon absorption of "roots and shoots"¹⁴ if only because attitudes to forest harvesting are coloured by current assumptions which may be quite wrong.

Such programmes may be low on European priorities but should be high on ours.

We should recognize that our policy responses to the Kyoto protocol and the IPCC reports have been driven by a small elite with a political agenda which is at variance with the

¹⁴ See, for example, *Carbon Sequestration by a New Zealand Pasture in Slightly CO₂-Enriched Air*, at <http://www.co2science.org/scripts/CO2ScienceB2C/articles/V9/N20/B2.jsp>

aspirations of the majority of New Zealanders. The late Aaron Wildavsky¹⁵ once quipped that ‘global warming’ is the mother of all environmental scares. Wildavsky's view is worth quoting:

Warming (and warming alone), through its primary antidote of withdrawing carbon from production and consumption, is capable of realizing the environmentalist's dream of an egalitarian society based on rejection of economic growth in favor of a smaller population's eating lower on the food chain, consuming a lot less, and sharing a much lower level of resources much more equally.

Because of this alignment with a minority view, Government appears to have sought no advice on the key questions relating to the Kyoto Protocol, or the IPCC reports, from core government agencies.

Government appears to have taken little interest in whether any likely future warming would benefit those future generations of New Zealanders or harm them. There has been no analysis of the degree to which current generations should incur costs for the benefit of much wealthier, and better informed, future generations.

Given that New Zealand actions alone can have no influence on global climate the key issue is who New Zealand should align with internationally – the European block, or the emerging Asia/Pacific grouping, or some other grouping which might emerge.

Therefore the *New Zealand Climate Science Coalition* and the *Centre for Resource Management Studies* believes Government, taking advice from departments such as Treasury, Finance and Foreign Affairs, should:

- (1) Undertake a competent analysis of the likely path of costs and benefits of possible climate change for New Zealanders across generations.
- (2) Undertake a competent diplomatic analysis of the climate change issue as to where New Zealand's interests lie in terms of international relations.
- (3) Undertake a competent analysis as to whether the most appropriate response to the risk of any observed climate change is to plan to adapt to such change or to try to prevent it.

Should Government prove unwilling to commission or undertake these analyses from officials, a natural alternative would be for it to commission independent expert assessments of these issues from diverse sources.

These assessments could then be debated at a suitable conference.

Finally, Article 27 of the Kyoto Protocol reads as follows:

At any time after three years from the date on which the Protocol has entered into force for a Party, that Party may withdraw from this Protocol by giving written notification to

¹⁵ Aaron Wildavsky was founding Dean of the School of Public Policy and Chairman of the Political Science Department at UC Berkeley, and was perhaps the most honoured political scientist of his generation. He was a valued mentor and friend of the author.

the Depository. Any such withdrawal shall take effect upon expiry of one year from the date of receipt by the Depository of the notification withdrawal.

As the Protocol came into effect in February 2005, New Zealand could give notice to leave Kyoto in February 2008, within the present Parliamentary term. Any announcement could be timed to coincide with the Canadian decision. The withdrawal would take effect in February 2009.

To do so would benefit us all.

Owen McShane

Chairman, Policy Panel of the New Zealand Climate Change Coalition.

Director, Centre for Resource Management Studies.

Contact for the New Zealand Climate Science Coalition:

Terry Dunleavy

Hon. Secretary

Tels 09 486 3859 mobile 0274 836688

Email: terry@winezeal.co.nz