

It's Time for a Climate Trade War



[Nithin Coca](#) [Mar 5](#) · 7 min read

The world needs to hold climate laggards responsible — and a border climate tax is the best way to do it.



In the fall of 2016, and the global climate community was in turmoil. The world's [largest historical emitter](#) of greenhouse gas emissions, the United States, would soon have a climate denying President who had made promises to dramatically cut back on the climate actions of his predecessor, Barack Obama. A year after the world had agreed to a [historic climate agreement](#), it was looking like the country most important for its success might, soon, depart, and could, potentially, doom the planet to climate catastrophe.

Unless, of course, the world did something about it. In the weeks after Donald Trump was elected, there were statements from world leaders that if the incoming President were to follow through on his climate commitments, the world could react by implementing retaliatory measures, such as a border tax. In fact, these stories got much attention in global media from November 2016 through the inauguration.

Medium

Sarkozy proposes carbon tax on US goods if Trump scraps Paris ...

en.rfi.fr/france/20161114-sarkozy-proposes-carbon-tax-us-goods-if-trump-scraps-paris-...

Sarkozy proposes carbon tax on US goods if Trump scraps Paris climate pact. Former French President Nicolas Sarkozy has proposed that Europe should impose a carbon tax on American imports if Donald Trump pulls the United States out of the Paris climate pact. More than 100 countries have ratified the Paris global emissions deal,...

Sarkozy's plan if Trump ditches Paris climate pact - New Europe

<https://www.neweurope.eu/article/sarkozys-plan-trump-ditches-paris-climate-pact/>

If US president-elect Donald Trump decides to pull the United States out of the Paris climate pact, Nicolas Sarkozy, the French presidential candidate, says Europe should impose a carbon tax on American imports.

Sarkozy-Carbon Tax on American Goods if Trump Pulls From ...

<https://forums.somd.com/threads/sarkozy-carbon-tax-on-american-goods-if-trump-pul...>

Well, I will demand that Europe put in place a carbon tax at its border, a tax of 1-3 percent, for all products coming from the United States, if the United States doesn't apply environmental rules that we are imposing on our companies." [clip]

Sarkozy proposes carbon taxes on US products if Trump pulls ...

<https://www.businessinsider.com/afp-sarkozy-wants-tax-on-us-products-if-trump-scraps-paris-...>

Paris (AFP) - French presidential candidate Nicolas Sarkozy has proposed that Europe apply a carbon tax on American imports if Donald Trump pulls the United States out of the Paris climate pact.

Nicolas Sarkozy calls for a carbon tax on the US if Trump ...

buildingpowerdistribution.com/green-news/nicolas-sarkozy-calls-for-a-carbon-tax-on-...

Home Green News Nicolas Sarkozy calls for a carbon tax on the US if Trump pulls out of the Paris climate ... He is calling for a carbon tax on the United States ...

Sarkozy wants tax on US products if Trump scraps Paris ...

<https://news.yahoo.com/sarkozy-wants-tax-us-products-trump-scraps-paris-00174766...>

Paris (AFP) - French presidential candidate Nicolas Sarkozy has proposed that Europe apply a carbon tax on American imports if Donald Trump pulls the United States out of the

to rise around the world. That is precisely what is happening now.



Fast forward to today, and the situation is dire, possibly even worse than imagined. **After three years of stagnation, global greenhouse gas emissions are back on the rise.** It's not just the US that is failing. Without anyone to hold it accountable, China has resumed it's fossil-fuel intensive industrialization. Brazil, home to the world's largest expanse of carbon capturing and storing tropical forests, has just inaugurated its own climate denying President who seeks to massively expand deforestation.

Why are we in this position? Because, when Donald Trump actually decided to withdraw the US from the Paris Agreement in June of 2017, the world failed to respond as had been hoped six months earlier. Instead, there was little attention given at all to the possibility of a climate border tax, or any retaliatory action at all. The discussion faded away, as climate change often does, lost in the non-stop coverage of North Korea, the Mueller Investigation, and endless tweets.

The world let Trump get away with keeping his dangerous promise, and opened the door for non-actors on climate

What we should have done

Imagine a different scenario. The world knew, in the days leading up to the announcement, that the US was likely to announce a withdrawal. In anticipation, several countries who are part of the Paris Agreement announced that if the US withdraws, they will boot the country from existing free trade agreements and implement an immediate border climate tax on US imports. Perhaps it was the European Union (EU), following through on its threats. Would Trump have kept his promise knowing that it would

Medium

result in immediate, real, harsh global retaliation?

This may seem fanciful, but it is not. Countries are regularly punished for failing to keep their global obligations. Unfortunately, the current regime is pro-business, so these cases tend to be ones that favor the rights of multinational corporations and physical goods. For example, the ongoing US-China trade war is over water boilers, X-ray machine components, airplane tires, and other industrial parts.

There are even examples of trade cases against the US. South Korea just won the right to impose annual sanctions of [\\$85 million over](#) dispute on the trade of ... washing machines. Somehow, washing machines, and airplane are all more important to global trade than climate change, which is already costing the global economy billions and could massively [reduce future growth](#).

There is little reason why similar tactics or tools can't be used when it comes to climate change.

If we punished countries for climate inaction, this would increase the economic cost to countries of electing climate deniers like Jaor Bolsonaro. Would he go forward with plans to increase deforestation in the Amazon, which would [rapidly increase emissions](#), if he knew that countries that imported Brazilian soy or beef would react by enacting carbon tariffs on those products, making them far more expensive than more sustainably produced alternatives? Would he have even won if the risk to the Brazilian economy of his anti-climate actions were widely known?

In an ideal world, this type of tax, or punitive measure, would be baked into the Paris Agreement itself. Unfortunately, the realities of how global treaties function, and the challenges of ensuring that any climate change regime could be palatable to legislatures, including the US

Congress, meant that punitive measures were off the table.

A border climate tax would be easier to implement. The most obvious bodies for doing this is where the idea emerged in late 2016 — the EU, or more accurately, France, the country who hosted the COP21 conference which made the Paris Agreement a reality.

Here are some ideas on how it could look.

Trade for Climate Action

Of course, we need more than punitive action. We need to make tackling climate change economically beneficial. It should be the prerequisite for global trade — and, in an ideal situation, the catalyst for technology transfer and the building of a global clean energy infrastructure in the time frame necessary to prevent catastrophic climate change.

- **Climate Trade > Free Trade** — Climate change has to be in the center of any future trade agreement. France once stated that any EU trade agreement should have, as a precondition, adherence to the Paris Agreement. There are some early, hopeful signs of this coming into fruition as the recently agreed upon EU-Japan trade deal was [the first to explicitly mention climate](#). Let's give preferential treatment to trade that helps us reach climate goals — no tariffs on solar panels, battery technology, electric cars, or transit infrastructure — and make it more costly to export coal, oil, natural gas, or other dirty energies.
- **A Climate Union — A European Union for climate change.** Those countries who make real progress towards achieving their goals would have access to a single market, with preferential treatment for climate-friendly goods. Organic foods, solar panels, wind turbines, and other green technology could filter through the world even faster than before.

Medium

Beyond Countries

This does not have to be at the national level. As many have stated, cities across the country have stated they will continue to address greenhouse gas emissions. California has pledged to go [100% clean electricity by 2045](#), and also has ambitious plans to achieve carbon neutrality. While laws like the Interstate Commerce Act limit the ability of states to erect the same types of border trade controls as countries, there are things that can be done, such as including climate in state and local government procurement guidelines and linking up state-level carbon reduction programs, like [California's cap and trade mechanism](#), with other countries, states, or provinces.

Businesses can also join in and do more than just committing to reducing their own emissions, or procuring clean energy. What if companies threatened that if the US withdrew from Paris, or if China did not adhere to its climate goals, they would shift their supply chains and import raw goods from countries that are meeting their obligations, like Morocco or India?



Climate needs to be THE top trade issue

2018 was a year of horrific natural disasters, many of which can be connected to climate change. Japan saw weeks of [record-high deadly heat](#). [Floods ravaged](#) the South Indian state of Kerala. [Historic fires](#) killed dozens and destroyed

tens of thousands of homes in California. The total economic cost of these disasters was in the hundreds of billions. **Climate is impacting the global economy now, and it will only get worse.**

Countries that refuse to act on climate, like the US under Trump, or Brazil under Bolsonaro, must be held responsible for putting the entire planet at risk. The ongoing trade war between the US and China focuses entirely on physical or intellectual goods. Imagine if China, which had, until recently, adhered to its Paris commitments, responded to Trump's launching of a trade war by imposing a climate tax on the US and rallying other countries to follow its model?

We need to make it costly for countries to elect climate denying leaders like Trump or Bolsonaro, and make it beneficial if they, as [Germany](#), [South Korea](#), or [Morocco](#) are doing, make progress on their goals.

We lost a big opportunity to take a stand back in 2017. Trump's withdrawal from the Paris Agreement should have seen a massive response from the world. The Paris Agreement was a truly historic moment, when we came together to achieve collective action on the greatest challenge of our time. It was not worth letting one bad apple (or orange) destroy what so many had worked so hard for. But it's not too late.

In 2019, let's make climate the biggest trade issue, and ensure that when Trump, Bolsonaro, or the next climate-denying fascist takes power, he or she thinks twice about following through on his promises.