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California's Climate Extremism

The pursuit of environmental purity in the Golden State does nothing to reverse global warming—but it's costing the poor and middle class dearly.

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California

Infrastructure and energy

Environmental extremism increasingly dominates California. The state is making a concerted attack on energy companies in the courts; a bill is pending in the legislature to fine waiters \$1,000—or jail them—if they offer people [plastic straws](#); and UCLA issued a report describing pets as a [climate threat](#). The state has taken upon itself the mission of limiting the flatulence of cows and other [farm animals](#). As the self-described capital of the anti-Trump resistance, California presents itself as the herald of a green, more socially and racially just society. That view has been utterly devastated by a new report from [Chapman University](#), in which coauthors David Friedman and Jennifer Hernandez demonstrate that California's draconian anti-climate-change regime has exacerbated economic, geographic, and racial inequality. And to make things worse, California's efforts to save the planet have actually done little more than divert greenhouse-gas emissions (GHG) to other states and countries.

[Jerry Brown](#)'s return to Sacramento in 2011 brought back to power one of the first American politicians to embrace the "limits of growth." Brown has long worried about resource depletion (including [such debunked notions](#) as "[peak oil](#)"), taken a [Malthusian approach](#) to population growth, and opposed middle-class [suburban development](#). Like [many climate-change activists](#), he has limitless confidence in the possibility for engineering a green socially just society through "[the coercive power of the state](#)," but little faith that humans can find ways to address the challenge of climate change. If Brown's "era of limits" message in the 1970s failed to catch on with the state's voters, who promptly elected two Republican governors in his wake, he has found in climate change a more effective rallying cry, albeit one that often teeters at the edge of hysteria. Few politicians can outdo Brown for alarmism; recently, he predicted that climate change will cause [3 to 4 billion deaths](#), leading eventually to human [extinction](#). To save the planet, he openly endorses a campaign to [brainwash](#) the masses.

The result: relentless ratcheting-up of climate-change policies. In 2016, the state committed to reduce greenhouse-gas (GHG) emissions 40 percent below 1990 levels by 2030. In response, the California Air Resource Board (CARB), tasked with making the rules required to achieve the state's legislated goals, took the opportunity to set policies for an (unlegislated) target of an 80 percent reduction below 1990 levels by 2050.

Brown and his supporters often tout their policies as in line with the 2015 Paris Agreement, note Friedman and Hernandez, but California's reductions under the agreement require it to make cutbacks *double* those pledged by Germany and other stalwart climate-committed countries, many of which have actually increased their emissions in recent years, despite their Paris pledges.

Governor Brown has preened in Paris, at [the Vatican](#), in China, in [newspapers](#), and on national television. But few have considered how his policies have worked out in practice. California is unlikely to achieve even its modest 2020 goals; nor is it cutting emissions faster than other states lacking such dramatic legislative mandates. Since 2007, when the Golden State's "landmark" global-warming legislation was passed, California has accounted for barely 5 percent of the nation's GHG reductions. The combined total reductions achieved over the past decade by Ohio, Georgia, Pennsylvania, and Indiana are about 5 times greater than California's. Even Texas, that bogeyman of fossil-fuel excess, has been reducing its per-capita emissions more rapidly.

In fact, virtually nothing that California does will have an impact on global climate. California per-capita emissions have always been relatively low, due to the mild climate along the coast, which reduces the need for much energy consumption on heating and cooling. In 2010, the state accounted for less than 1 percent of global GHG emissions; the disproportionately large reductions sought by state activists and bureaucrats would have no discernible effect on global emissions under the Paris Agreement. "If California ceased to exist in 2030," Friedman and Hernandez note, "global GHG emissions would be still be 99.54 percent of the Paris Agreement total."

Many of California's "green" policies may make matters worse. California, for example, does not encourage biomass energy use, though the state's vast forested areas—some 33 million acres— could provide renewable energy and reduce the excessive emissions from wildfires caused by years of forest mismanagement. Similarly, California greens have been adamant in shutting down [nuclear power plants](#), which continue to reduce emissions in France, and they refuse to count [hydro-electricity](#) as renewable energy. As a result, California now imports [roughly one-third](#) of its electricity from other states, the highest percentage of any state, up from 25 percent in 2010. This is part of what Hernandez and Friedman show to be California's increasing propensity to export energy production and GHG emissions, while maintaining the fiction that the state has reduced its total carbon output.

Overall, California tends to send its "dirty work"—whether for making goods or in the form of fossil fuels—elsewhere. Unwanted middle- and working-class people, driven out by the high cost of California's green policies, leave, taking their carbon footprints to other places, many of which have much higher per-capita emission rates. Net migration to other, less temperate states and countries has been large enough to offset the annual [emissions cuts](#) within the state. Similarly, the state's regulatory policies make it difficult for industrial firms to expand or even to remain in California. Green-signaling firms like Apple produce most of their tangible products abroad, mainly in high-GHG emitting China, while other companies, like Facebook and Google, tend to place energy-intensive data centers in other, higher GHG emission states. The study estimates that GHG emissions just from California's international imports in 2015, and not even counting imports from the rest of the U.S., amounted to about 35 percent of the state's total emissions.

California's green regulators predict that the implementation of ever-stricter rules related to climate will have a "small" impact on the economy. They point to strong economic and job growth in recent years as evidence that strict regulations are no barrier to prosperity. Though the state's [economic growth](#) is slowing, and now approaches the national average, a superficial look at aggregate performance makes a

seemingly [plausible case](#) for even the most draconian legislation. California, as the headquarters for three of the nation's five largest companies by market capitalization—Alphabet, Apple, and Facebook—has enjoyed healthy GDP growth since 2010. But in past recoveries, the state's job and income growth was widely distributed by region and economic class; since 2007, growth has been uniquely concentrated in one region—the San Francisco Bay Area, where employment has grown by nearly 17 percent, almost three times that of the rest of the state, with growth rates tumbling compared with past decades.

Some of these inequities are tied directly to policies associated with climate change. High electricity prices, and the war on carbon emissions generally, have undermined the state's blue-collar sectors, traditionally concentrated in Los Angeles and the interior counties. These sectors have all lost jobs since 2007. Manufacturing employment, highly sensitive to energy-related and other regulations, has declined by 160,000 jobs since 2007. California has benefited far less from the national industrial resurgence, particularly [this past year](#). Manufacturing jobs—along with those in construction and logistics, also hurt by high energy prices—have long been key to upward mobility for non-college-educated Californians.

As climate-change policies have become more stringent, California has witnessed an unprecedented level of bifurcation between a growing cadre of high-income earners and a vast, rapidly expanding poor population. Meantime, the state's percentage of middle-income earners—people making between \$75,000 and \$125,000—has fallen well below the national average. This decline of the middle class even occurs in the [Bay Area](#), notes a recent report from the California Budget and Policy Center, where in 1989 the middle class accounted for 56 percent of all households in Silicon Valley, but by 2013, only 45.7 percent. Lower-income residents accounted for 30.3 percent of Silicon Valley's households in 1989, and that number grew to 34.8 percent in 2013.

Perhaps the most egregious impact on middle and working-class residents can be seen in housing, where environmental regulations, often tied directly to climate policies, have discouraged construction, particularly in the suburbs and exurbs. The state's determination to undo the primarily suburban, single-family development model in order to “save the planet” has succeeded both in raising prices well beyond national norms and creating a shortfall of some 3 million homes.

As shown in a recent [UC Berkeley study](#), even if fully realized, the state's proposals to force denser housing would only reach about 1 percent of its 2030 emissions goals. Brown and his acolytes ignore the often-unpredictable consequences of their actions, insisting that density will reduce carbon emissions while improving [affordability](#) and boosting transit use. Yet, as Los Angeles has densified under its last two mayors, transit ridership has continued [to drop](#), in part, notes another [UC Berkeley report](#), because incentives for real-estate speculation have driven the area's [predominantly poor transit riders further from trains and buses](#), forcing many to purchase cars.

Undaunted, California plans to impose even stricter regulations, including the mandatory installation of solar panels on new houses, which could [raise prices](#) by roughly \$20,000 per home. This is only the latest in a series of actions that undermines the aspirations of people who still seek “the California dream;” since 2007, California homeownership rates have dropped far more than the national average. By 2016, the overall homeownership rate in the state was just under 54 percent, compared with 64 percent in the rest of the country.

The groups most affected by these policies, ironically, are those on whom the ruling progressives rely for electoral majorities. [Millennials](#) have seen a more rapid decline in homeownership rates compared with their cohort elsewhere. But the biggest declines have been among historically disadvantaged minorities—Latinos and African-Americans. Latino homeownership rates in California are well below the national average. In 2016, only 31 percent of African-Americans in the Bay Area owned homes, well below the already low rate of 41 percent black homeownership in the rest of nation. Worse yet, the [state takes no account](#) of the impact of these policies on poorer Californians. Overall poverty rates in California declined in the decade before 2007, but the state’s poverty numbers have risen during the current boom. Today, 8 million Californians live in poverty, including 2 million children, by far the most of any state. The state’s largest city, [Los Angeles](#), is also now by some measurements [America’s poorest big city](#).

To allay concerns about housing affordability, the state has allocated about \$300 million from its cap-and-trade funds for housing, a meager amount given that the cost of building affordable housing in urban areas can exceed \$700,000 per unit. These benefits are dwarfed by those that wealthy Californians enjoy for the purchase of electric cars and home solar: Tesla car buyers with average incomes of \$320,000 per year got more than \$300 million in [federal and state subsidies](#) by early 2015 alone. By contrast, in early 2018, state electricity prices were 58 percent higher, and gasoline over 90 cents per gallon higher, than the national average, disproportionately hurting ethnic minorities, the working class, and the poor. Based on cost-of-living estimation tools from the Census Bureau, 28 percent of African-Americans in the state live in poverty, compared with 22 percent nationally. Fully one-third of Latinos, now the state’s largest ethnic group, live in poverty, compared with 21 percent outside the state.

In a normal political environment, such disparities would spark debate, not only among conservatives, but also traditional Democrats. Some, like failed independent candidate and longtime environmentalist [Michael Shellenberger](#), have expressed the view that California’s policies have made it not “the most progressive state” but “the most racist one.” Recently, some 200 veteran civil rights leaders sued CARB, on the basis that state policies are skewed against the poor and minorities. So far, their voices have been largely ignored. The state’s prospective next governor, Gavin Newsom, seems eager to embrace and expand Brown’s policies, and few in the legislature seem likely to challenge them. The Republicans, for now, look incapable of mounting a challenge.

This leaves California on a perilous path toward greater class and racial divides, increasing poverty, and ever-more strenuous regulation. Other ways to reduce greenhouse gases—such as planting trees, more efficient transportation, and making suburbs more sustainable—should be on the table. The Hernandez-Friedman report could be a first step toward addressing these issues, but however it happens, a return to rationality is needed in the Golden State.

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