



The Good, the Bad, and the Ugly? Europe, the United States, and China at the World Climate Conference

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The picture drawn by the media of the main protagonists at the UN conference on climate change in Bali was reminiscent of Sergio Leone's famous spaghetti western. In one corner of the stand-off, a tenacious and uppity Europe, convinced that she will succeed. Then there was America, with her presumptuous plan to either get her own way or obstruct everyone else's. And finally, China. Recently declared the world's number one greenhouse gas emitter, she insisted on her right to pollute even more in the future. It was a boring picture, one we have seen all too often in the past. Until the very last day, the Bali summit was only the newest episode in a showdown habitually played out at yearly climate conferences: The European Union tries to provide leadership but cannot do it on its own, while the United States and China remain stuck in their regular gridlock ritual, both unwilling to take responsibility for their share of the problem.

This year's climate conference, however, took a dramatic turn: the script was changed so that, at least this season, the perennial tragedy ended on a positive note. After days of bitter fighting and "an overtime stretch filled with twists, turns, and tears" (*Grist Magazine*), a roadmap for developing a new global climate treaty within the next two years was agreed upon. It stipulates that by 2009 countries want to agree on a new framework to replace the Kyoto Protocol, set to phase-out in 2012. Recognizing that "deep cuts in global emissions will be required" to avoid dangerous climate change, the Bali agreement—for the first time—calls on both the industrialized and the developing countries to commit to measurable, verifiable steps.

Important progress

Additionally, there was important progress in the issue areas of adaptation (agreement to "support urgent implementation" of measures to protect poorer countries from the impacts of unpreventable climate change); forests (positive incentives to conserve world-wide forest cover and World Bank funds to reduce deforestation in developing countries); and technology transfer (pledges to "remove obstacles to, and the provision of financial and other incentives" for the transfer of clean energy technologies to developing nations).

Ultimately, these agreements were only made possible by compromises on all sides. Faced with relentless resistance from the United States, Canada, and Japan, the EU had to give up its goal of committing industrialized countries to reductions of 25 to 40 percent by 2020 (as compared to 1990 levels). These explicit targets were shifted to a footnote in the preamble that refers to the most recent scientific report of the Intergovernmental Panel on Climate Change (IPCC). Rapidly developing countries, including China, had to concede to measurable and verifiable emissions reductions. Eventually, they pledged to account for their emissions, provided that rich countries supply them with clean energy technology. The sharpest compromise, however, came from the U.S. delegation.

Gore: U.S. responsible for obstructing progress

As in earlier climate summits, the United States was continuously criticized, both within the conference—where former vice president and Nobel laureate Al Gore stated that “my own country, the United States, is principally responsible for obstructing progress here in Bali; we all know that”—and outside, where environmentalists were either ridiculing or harshly attacking President George W. Bush. The United States’ altered stance came only after scheduled talks had ended and negotiations gone into extra time. According to the New York Times, “many officials and environmental campaigners said American negotiators had remained obstructionist until the final hour (...) and had changed their stance only after public rebukes that included boos and hisses from other delegates.” Indeed, before the conference, Reuters quoted James Connaughton, chairman of the White House Council on Environmental Quality, as saying, “The U.S. will lead, and we will continue to lead, but leadership also requires others to fall in line and follow.” When the U.S. delegation announced in the tumultuous concluding hours of the conference that it could not support the final text, Papua New Guinea’s negotiator interrupted by yelling: “If for some reason you are not willing to lead, leave it to the rest of us. Get out of the way.” Shortly after, the U.S. delegation announced it would support the agreement. It finally gave in to both greater financial and technological support of poorer countries and the continuation of negotiations on two tracks: one for those nations, including the United States, that are not currently committed to internationally binding reductions; and a second for the 160 plus parties of the Kyoto Protocol.

Certainly, the Bali climate conference was more dramatic than any of its predecessors. But how valuable are its results? Some hailed the roadmap as a major breakthrough. “What we’ve seen disappear today is what I would call the ‘Berlin Wall of climate change,’” said Yvo de Boer, the United Nations top climate official. Indeed, the world’s

governments have decided to continue the construction of a road that has so far ended in a cul-de-sac. The agreement has the procedural potential to transform the way in which rich and poor nations cooperate to prevent a dangerous climate shift. However, it does not yet have the substance. The destination of the road, in other words, is yet unclear. For example, "measurable, reportable, verifiable and nationally appropriate" commitments for developed countries may or may not include concrete reduction targets within specified time frames. Likewise, the contribution of developing countries is vague and dependent on an imprecise amount of support from richer nations. Many other tough decisions were postponed so that, now, subsidiary bodies will begin to work on the Bali roadmap. Initial views of the parties will be gathered until late February; the first major meeting is scheduled for March or April.

Major changes in the developing world

To be sure, Bali was never intended to produce precise reduction targets. It was envisioned and succeeded as merely the start of a new process. Or was it? A closer look at the parties' behavior actually signals more important changes than are apparent at first glance. The developing countries' willingness to be monitored—absolutely unthinkable a year ago—is tantamount to a tectonic plate movement in the Earth's political balance. The governments of some emerging powers are no longer reconciling themselves to being victims of climate change; China (as well as Brazil, Mexico, and South Africa) are striving to be real leaders and part of the solution. The Chinese want to increase their efficiency by 20 percent until 2010; their CAFE standards are higher than those of California. The Brazilians are already the world leader in bio fuels. The Mexicans and the South Africans have indicated that they are ready to accept binding emission cuts in the future—despite their abundant fossil resources. This newly emerging competition of who has the political and technological ability to be a leader in climate change and energy security will help us tackle these two giant challenges which are inextricably linked.

Largely unnoticed by Western media, quantum leaps have been made in the climate policies of the rapidly industrializing world. In addition to their political aspirations to be admired as good, reliable, and important players in the common and long-term interests of people and planet, governments in the South have found their own "local" reasons to act. They have realized the urgency of a crisis that will hit them the most, and more than those who are largely responsible for it (read: the industrialized world). But they have also come to appreciate the "triple dividend" of a pro-active climate policy: a clean-up of greenhouse gas emitting activities often yields environmental and health co-benefits; an increase of energy efficiency and the share of renewables also

boosts energy security; and, most importantly, climate-friendly technologies are seen as a key future market (already today, the seventh richest Chinese is a producer of solar panels) with positive effects on employment and the sustainability of national economies. The technological and financial flows triggered by the flexible instruments of the Kyoto Protocol are of course adding to these motivations.

European leadership

As for the Europeans, there is a continuation of past trends, rather than policy changes. Since 2001, when the U.S. government unilaterally declared that “Kyoto is dead,” the EU has undoubtedly grown into a leadership position. Today, climate policy might in fact succeed as the only area of international significance where the EU undisputedly drives the international process. It demonstrates leadership at home through, first, the installation of a reduction bubble, i.e., accepting a common reduction obligation internationally while having internally differentiated commitments. This mechanism can be seen as a model-at-small for the fairness principle of “common but differentiated responsibilities,” as was agreed to at the 1992 Earth Summit but which has remained stagnant since then. Second, the EU has installed a wide range of direct regulations and market-based measures to reduce greenhouse gases, including an EU-wide emission trading scheme that, in its testing phase, has shown room for improvement in the real trading phase (2008-12) but has worked much better than its reputation has it. With this, there is still reasonable optimism that the EU can reach its Kyoto target. Third, the EU has unilaterally committed to ambitious new goals: Reducing emissions by 20 percent until 2020, and by 30 percent if other major emitters commit to cuts as well; within the same timeframe, improving energy efficiency by 20 percent and reaching a 20 percent renewables share in the energy production.

Internal policy cohesion has helped the EU to gain external political capacity. Despite divergent national preferences, it is attending international meetings as a strong, unified actor. For years now, the EU has been in a tacit coalition with developing countries to avoid too much softening of industrialized countries’ obligations. In Bali, the EU substantiated its leadership claim more strongly than ever before. As in 2001 when the Kyoto Protocol was threatening to fail before it had even begun, the pressure in Bali was high: two years to negotiate a treaty, three years to get its technical details straight and national ratifications in place in order to avoid a political vacuum after Kyoto’s end in 2012—this timeframe is already ambitious, to say the least. Consequently, “the timing and ambition of the EU’s agenda was not unexpected and contributed to some of the fiercest exchanges between negotiators” (Environmental Negotiation Bulletin). The EU was clearly in the driving seat of the negotiations: In the

final hours of the meeting, the EU agreed with the U.S. to drop binding targets, then with China to soften commitments from developing countries. When the U.S. still refused to support the final draft, the EU threatened to cancel its participation in President Bush's major emitters meeting scheduled for January 2009.

In Bali, the United States government demonstrated yet again how much it is lagging behind international progress. However, in contrast to the 2005 Montreal Summit, when the U.S. delegation walked out of the room and rejected to resume talks on certain aspects of negotiations when it did not get its will, it refrained from such behavior this time. Why? Unfortunately, there are few reasons to assume that the current administration has fundamentally revised its thinking on climate. Too much information has been disclosed shedding a light on the White House's intention to detract from the real dangers of climate change. The U.S. delegation's initial positions at Bali were too reluctant for a country that seriously wants to be seen as a leader. Indeed, on the same day the Bali deal was reached, Connaughton said that reducing industrialized countries' emissions by 25 percent until 2020 cannot be achieved—despite the fact that other states and most experts think it can. Already the White House has called into question the Bali negotiation tracks, declaring that it had “serious concerns” about how future diplomacy would “differentiate among developing countries” in terms of demanding reductions.

Internal and external pressure on Bush White House

The cause for the administration's ultimate acquiescence to the Bali agreement was the accumulated pressure, 10 percent international and 90 percent domestic. The White House may struggle to stay relevant in the international sphere, but it does so even more at home. The priority is clearly the latter, as the President seems to feel that he can no longer afford to ignore public concern over climate change. Polls show that a clear majority of Americans are very afraid of the consequences of global warming and support mandatory and courageous action. For many years, state and local initiatives have tried—with some success—to fill the federal policy vacuum. Now, after years of relative inaction, important energy, climate, and transportation legislation has been passed or is currently pending in the U.S. Congress. When it comes to presidents' last year in office, their actions are often guided by their desire for a positive place in history books. Bush will not go down as an early climate change visionary and international leader, but he might not want to be remembered as the biggest obstructionist of domestic action, either.

It is more probable than not that the legislative branch will establish a national, economy-wide carbon dioxide cap-and-trade system within the next two to three years. Such mandatory emissions limits at home will serve as the most important foundation for the U.S. position in international negotiations on the way to a fair, effective, and inclusive global agreement. One of the greatest achievements of the Bali roadmap is that it starts the negotiation process now but postpones the final decision on U.S. commitments until after the 2008 presidential election. Experts and opinion-makers from the foreign, energy, and other policy areas, as well as economists and financial experts, have to be included in an honest debate about what the U.S. can and should do, both at home and abroad, as the ground is laid for the U.S. to return to true leadership in this crucial policy area.

Numerous reasons for bold transatlantic action

Transatlantic disunity on climate change—well preceding the Bush administration—has not only hampered international progress in the field, it has become a symbol of the emerging rift between the two traditional partners. There may be many different ideas about the fundamentals, aims, and instruments of a new transatlantic partnership for the twenty-first century, but its overall aim is non-negotiable: the protection of the security and welfare of its peoples. Climate change today is one of the greatest threats to these basics of well-being. Environmental, economic, and security reasons each call for bold and joint transatlantic action on climate change; the prospect of losing trust in the Atlantic partnership as a manager of international crises is another strong push for cooperation.

If science is a guidepost, then the enormous challenge we are facing becomes obvious: Global greenhouse gas emissions have to be halved by 2050. This means that by 2050, emissions in the richer, industrialized countries will have to be cut by 70 to 90 percent. The U.S. government is right when it demands that the major emitters in the rapidly developing parts of the world commit to concrete targets as well, but they cannot be the same ones that have to be adopted by the wealthier nations, including Europe and North America. Already fifteen years ago, the EU and the United States agreed to the principle of common but differentiated responsibility between the North and the South. In the long run, global per-capita targets (the average American today still emits about 20 times more than the average Indian and 10 times more than a Chinese) have to be the yardstick.

Room for creativity, but no lone warriors

For shorter time commitments, say until 2020, there is a lot of room for creativity. For example, China and other emerging powers could commit to semi-binding targets, i.e., targets not referring to reduction in absolute numbers but relative to a business-as-usual scenario. Should countries fail to reach them, there would be no sanctions whatsoever; if, however, they over-fulfil them, the remaining capacity could be sold as emission allowances to industrialized countries that have not made their own binding goals. Another suggestion is the commitment of developing states to strict sectoral targets, i.e., not to a reduction of overall GHG emissions, but to improvements in particular areas like the efficiency of power plants or the share of renewables in the overall energy portfolios.

Only if Europe, the United States, and China each take on their own responsibility can a major shift of the climate system be prevented. In the end of “The Good, the Bad, and the Ugly” the good guy triumphantly clears the scene. In the real world of climate policy, there is no room for bad or ugly. We will only succeed together.

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