

## **Combatting Climate Change – We Need a New Process**

by Laurence Brahm

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### **A Failed Negotiation Process**

United Nations climate change talks in Cancun commencing this month won't yield concrete action to reduce carbon emissions. In fact, the premises underlying the UN climate change talks are flawed. Each high-water mark from the Kyoto Protocol to the "Bali Roadmap," which ended in near collapse at discussions at Copenhagen last year, proved these summits to be public relations exercises for major CO2 emitters rather than forums seeking CO2 emission reductions. Moreover, posturing between the United States and China, the world's second and first largest carbon polluters, may stall progress further. Dialogue is becoming increasingly difficult on a host of issues between the two countries – climate change will not be an exception.

Climate change talks have been based on a framework set by the Kyoto Protocol, which created a concept of trading CO2 emissions within a 'carbon market'; it was deemed groundbreaking at the time. Carbon trading schemes theoretically offset the emissions of polluters in industrialized countries by trading emissions to carbon sinks in non-industrialized countries with lower pollution levels. A form of trading on paper, this process does not actually reduce total emissions.

Under the Kyoto Protocol, industrialized nations are allowed to assign their own targets, and offset carbon output by transferring it to underdeveloped countries. 'Carbon sinks' are offset schemes established in underdeveloped countries for this purpose. These sinks – such as World Bank-funded eucalyptus plantations that in theory absorb CO2 – often create negative environmental side effects, such as the loss of rainforests and displacement of indigenous people. Critics feel carbon trading has led companies into "green washing," a lucrative business that does nothing to help the environment.

Carbon values crashed during the economic crisis of 2008, plummeting from \$37 per ton before the crisis to less than \$22. In the event of such economic disasters, carbon is treated like any other commodity and thus faces the same vulnerabilities despite being an integral part of a scheme that is meant to provide an incentive to industrial corporations to reduce carbon emissions.

The Kyoto Protocol is now referred to with symbolic importance, mainly due to the proposed carbon reduction targets that industrialized nations have failed to meet. Symbolism however, will not help less developed nations that

are most vulnerable to the effects of climate change. While many activists criticize climate change talks occurring within the Kyoto framework as a charade, many environmentalists believe this may be the best they can hope for now. It is not.

Climate change talks in Bali produced the "Bali Roadmap," a framework covering a two-year negotiation process. The aim was to replace the Kyoto targets with new targets. Overly optimistic expectations held that a binding treaty could be signed when 191 nations convened at Copenhagen in 2009. Only 73 countries signed the non-binding Copenhagen accord. Targets called for limited temperature rises to 2 degrees (C) (approximately pre-industrial levels) but presented no logical proposals on how to achieve this. Moreover these targets are only voluntary. Critics argued that the current measures would produce a rise of at least 4 degrees. The most vulnerable countries completely lost out when their suggestion of a cap of 1.5 degrees was dropped.

Without substantial investment commitments from participating governments (or clear policy commitments to affect corporate investments), talk of renewable energy amounted to hyperbole. Copenhagen ended with commitments to establish a \$30 billion fund from developed countries by 2012 for mitigation of the effects of climate change. Skeptics point out that much of the funding was previously committed as development aid and was merely being repackaged as "green aid." And even then the fund developed in Copenhagen quickly fell into dispute as negotiators couldn't decide how to allocate the start-up funds.

### **US-China Conundrum**

Squabbling between the US and China negotiating teams dominated proceedings at Copenhagen. The US wanted China and other developing countries to commit to mandatory, rather than voluntary, emission targets as a prerequisite to commitments of its own. China accused the US and other rich countries of failing to make cuts that match their historical contribution to greenhouse gas emissions. Moreover, it argued that financial support provided by developed countries to developing countries for mitigation and adaptation should be seen as payback for earlier pollution.

China considers itself a developing country even though it is the second largest economy in the world and the planet's single biggest source of carbon emissions. China argues that its per capita CO2 output is lower than that of the US and that its current emission trajectories should continue as part of its right to industrial development. China's current economic-political-social model is based on sustained hyper growth rates fuelled by continued fixed asset investments, arguably to assure social stability through employment. This approach assures rising CO2 emissions as fossil fuels power a majority of China's power grid.

These entrenched positions will dominate the climate change talks in Cancun. Sadly, Cancun may become a theater for hashing out US-China differences on a range of concerns. Given the deterioration of US-China dialogue on a host of issues, it is likely that differing US-China positions on climate change may become intractable, paralyzing the Cancun talks for everyone. Certainly, the two nations that pollute the most must lead on this issue for any progress to occur. Neither has shown the leadership necessary. Climate change talks have become a charade for the two biggest CO2 emitters to do nothing while pretending to engage in talks to do something. An entirely new framework is necessary that will focus on reduction of absolute emissions and not only on re-labelling or re-packaging existing developmental aid.

### **We Need a New Framework**

Seeking a new framework means that assumptions left from the Kyoto legacy must change. Kyoto effectively privatized the air itself, making it a commodity. Establishment of the carbon market led to de facto property rights of the atmosphere – something that cannot be owned and thus cannot be ‘traded.’ So the market itself is an entirely artificial construct, yet more than a decade of climate change negotiations and dialogue have been built on it. Climate change needs to be addressed at its root. Creating markets for trading artificial commodities – clean vs. polluted air – are feel-good solutions that disguise the real problem.

There needs to be fundamental re-think in how we can mitigate climate change. This has to proceed quickly and long negotiations over funding and artificial market trading will only stall real action. We must think outside the Kyoto box.

We need a new climate change framework. Nations at the table in Cancun must address the real issue – total reduction of Co2 emissions by industrialized nations. This requires re-directing funding under existing national fiscal stimulus packages into investment in technology for long-term solutions that can be commercialized; in turn accompanied by government policy that will affect the profit motives of corporations. The US and China must put aside their now-fossilized and intractable positions that stall real action, and instead lead this process. Otherwise there is no process.