Environmental Politics

Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/fenp20

International policy on climate change: after Kyoto, what next?
David Layfield

Financial Science, University of Maryland, University College Asia

Available online: 10 Aug 2010

To cite this article: David Layfield (2010): International policy on climate change: after Kyoto, what next?, Environmental Politics, 19:4, 657-661

To link to this article: http://dx.doi.org/10.1080/09644016.2010.489719

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: http://www.tandfonline.com/page/terms-and-conditions

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae, and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand, or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.
FEATURED BOOK REVIEWS

International policy on climate change: after Kyoto, what next?


The economics and politics of climate change by Dieter Helm and Cameron Hepburn, Oxford, Oxford University Press, 2009, xxiv + 538 pp., index, £30.00 (hardback), ISBN 9780199573288

These two important contributions to the debate on the international politics and economics of climate change could not be more timely. The final communiqué from the Copenhagen Conference has been interpreted widely as a failure, a short document, devoid of targets, devoid of funding and lacking any ‘hard’ numbers or commitments. The current situation is that the first commitment period of the Kyoto Protocol expires in 2 years, time. As yet, there is nothing to replace it. As the contributors to these volumes point out, the international ‘architecture’ established under Kyoto is also far from perfect. Various carbon markets, established around the world, are suffering from falling volumes and fluctuating prices, making long-term planning for technical change virtually impossible. The clean development mechanism (CDM) wanes in the face of high transaction costs, project approval difficulties and street level resistance in Southern nations hosting CDM projects.

These volumes offer critical appraisals of current climate policies before moving on to explore possible alternatives for climate policy. Contributors to both consider whether existing international agreements on climate change and existing climate policies can be modified and improved or whether a complete change of direction is necessary. Aldy and Stavins’ book is a summary of the much larger Harvard Project on International Climate Agreements, which brings together political scientists, economists, scientists and others to research the most effective policies for tackling climate change. This is a tightly focused collection, which considers a specific area of international environmental policy in considerable detail. It includes two substantive introductory chapters by the editors, followed by a series of chapters containing summaries of research undertaken by contributors to the Harvard project. The book edited by Helm and Hepburn is a comprehensive collection of essays by political scientists,
economists and energy experts. It is broader in scope and more eclectic in the approaches taken by the contributors.

Unsurprisingly, the Kyoto Protocol and the current international climate regime are subjected to sustained critical attention in both books. We might usefully distinguish three critical perspectives on current policies, which draw, respectively, on international relations theory, political economy and normative theories of international or global justice.

Some new and interesting debates run through the contributions to both collections, in particular concerning whether national sovereignty is a help or a hindrance in forming a climate policy that actually works, and whether market mechanisms are as effective as their proponents claim. Aldy and Stavins comment that, since sovereign nations cannot be compelled to act against their wishes, any successful international agreement must contain incentives for compliance and participation. They point out that, ‘unfortunately, the Kyoto Protocol seems to lack incentives of both types’ (p. 28). Moreover, as Agarwala argues in his chapter, Kyoto, and the international climate regime developed from it, lacks enforcement mechanisms: it relies on voluntary self-enforcement and allows countries to withdraw without penalty (p. 76). This theme recurs in the early essays in Helm and Hepburn’s book. The problem with Kyoto, Barrett argues in his chapter, is that it sets global targets for which everyone – and therefore no one – is responsible (p. 59). In short, the nature of the international system, constituted by sovereign nation-states, makes it difficult to achieve an effective global climate regime. Moreover, the current approach is not well-suited to achieving global participation and compliance.

For a comprehensive critique of the political economy of international policy on climate change and the role of the Kyoto Protocol, the essay by Helm that opens the Helm and Hepburn collection is essential reading. Helm observes that the concentration of carbon dioxide in the atmosphere is on the way to reaching 750 parts per million by 2100. This, he argues, is because ‘fossil fuel consumption is going up, there is plenty left to exploit, and the dirtiest fossil fuel – coal – is expanding its share’ (Helm, p. 9). Helm’s discussion of European energy and climate policies brings the problems of coal into sharp relief. The major reduction in European emissions followed from a ‘dash for gas’, with the replacement of coal-fired power stations by gas-fired power generation. This has exposed Europe to new problems: suddenly energy security is a political issue, in a way that it never was with coal. Helm also argues that renewable energy and nuclear energy are uncompetitive in a liberalised electricity market, requiring complex subsidies and legal protection. Helm suggests that the problems of energy insecurity (caused by dependence on gas) and the non-competitiveness of renewable and nuclear energy are likely to lead to the return to coal. Coal can compete in Europe’s liberalised energy market, and offers greater energy security than Russian gas. Moreover, coal will be the preferred source of power generation in China and India for the foreseeable future for similar reasons. The political economy of energy
generation is likely to make it very difficult to develop an effective international agreement that significantly reduces greenhouse gas emissions.

Helm also offers a critical discussion of the way in which carbon emissions are calculated. This, as other contributors point out, is central to the functioning of international policy on climate change for both practical and normative reasons. The Kyoto Protocol counts carbon emissions in production, not consumption. This enables Europe to claim dramatic reductions in carbon emissions, whilst the world looks at China and India as the new great polluters. Helm says that, ‘as China has pointed out, although it might produce high emissions, these emissions are on behalf of consumers in developed countries, therefore the consumers should pay for the relevant reductions’ (Helm, p. 21; original emphasis). Europe has achieved its reductions, not by changing lifestyles, nor by reducing consumption; it has, rather, outsourced its emissions. Activities like metals processing, shipbuilding, engineering and manufacturing have moved overseas, taking their carbon emissions with them, and allowing the UK government, for example, to claim a reduction in emissions of 15 per cent by 2005 (from 1990 levels). Helm argues that ‘taking all greenhouse gases embedded in imports and subtracting greenhouse gases embedded in exports … provide[s] a crude estimate that [UK] emissions between 1990 and 2003 have increased by 19 per cent’ (Helm, p. 20). This tendency among developed countries to engage in various forms of ‘creative accounting’ might be seen as just another way of reinforcing the global inequity associated with climate change. This kind of normative critique of Kyoto and the current international climate regime is developed by contributors to both books. For example, Agarwala (in Aldy and Stavins) argues that global equity provides an important test for any workable international agreement on climate change. However, as Agarwala notes, the protocol’s targets are based on political bargaining, not equity (p. 76). The extreme issues of global inequity raised by climate change are drawn out particularly clearly in the chapter by Collier, Conway and Venables (in Helm and Hepburn) on ‘Climate Change and Africa’. They point out that Africa has added very little to the global stock of greenhouse gases in the atmosphere. Its current emissions are tiny, when compared to the developed world, yet Africa is a continent in great danger from a warming climate. The authors draw particular attention to the fact that Africa is warming faster than the global average, and that the African climate is uniquely vulnerable to extreme effects from climate change. So, normatively, the Kyoto Protocol and the current international climate regime fall well short of what equity requires.

Both books make it clear that climate change is a difficult problem to address. Contributors to both offer a range of possible solutions to the problem of climate change. Aldy and Stavins, in their introductory chapters, argue that a global agreement on climate change must meet several criteria: it should be cost-effective; it should bring about significant technological change; it should use multiple means to mitigate climate risk; it should be compatible with the international trade regime and it should be practical, realistic and verifiable.
The contributors to the book examine four possible solutions: emissions targets for all countries; a portfolio of international treaties; systems of national carbon taxes and the linkage of national tradable permit schemes.

On emissions targets, they argue that any agreement must be long term, with targets through to the end of the twenty-first century. Targets should also be progressive and richer countries should be required to make deeper cuts than developing countries. Their second option, a portfolio of international treaties, represents ‘a system of linked international agreements that separately address various sectors and gases’ (Aldy and Stavins, p. 33). The advantages of this proposal, they believe, are that it would operate across industries, rather than nations, and would, therefore, involve large emitters more directly. Such a portfolio of agreements would also reduce the risk of leakage, i.e., the offshoring of carbon emissions (as Dieter Helm identified among European countries). The third option, systems of national carbon taxes, also offers several potential advantages. They would provide an identifiable revenue stream to national governments, allowing the build-up of climate change funds. They should also be able to remove the disincentives to developing country participation, as developing country governments would also be able to generate a revenue stream from carbon taxes. They would, however, need to be harmonised to prevent tax competition. Finally, the linkage of national permit trading schemes would, in effect, scale up the European Emissions Trading Scheme. There would, however, be a need for new institutions, which would provide ‘an international clearing house for transaction records and allowance auctions, provide for the ongoing operation of the CDM, and build capacity in developing countries’ (Aldy and Stavins, p. 40).

The contributors to Helm and Hepburn’s book also consider a broad range of possible solutions – political, economic and technical. Their discussion of technical solutions includes consideration of nuclear power, renewable energy, carbon capture and storage, energy efficiency and geo-engineering. All of these technologies are critically evaluated and their potential role in a future global carbon regime is considered. As the authors of these chapters point out, none of these technical options is a solution on its own. Any workable solution will require economic and political action as well.

The economic solutions discussed in the Helm and Hepburn collection include a debate over carbon taxes and emissions trading, a means for developing countries to participate in a global carbon trading system, and reforms to the CDM. What emerges from these discussions is a sense of the difficulty of forming a workable international policy on climate change in an unequal world. Writing in defence of the current global climate regime, Depledge and Yamin argue that the regime’s greatest weakness is dysfunctional North-South politics (p. 443). This has created a two tier regime, in which 150 countries of the global South have not adopted emissions targets, but are hosting mitigation projects through the CDM. In their contribution, Ghosh and Woods develop this theme and suggest that the prospects for resolving climate policy through large-scale international negotiations look grim.
especially in light of the Doha Round of international trade negotiations, ongoing since 2001 yet still to reach a solution’ (p. 455). What is needed, they suggest is a means for international organisations to connect with local level development projects, and also a means for the governments of the global South to make climate policy, and gain real power over the process. How, exactly, to bring the Southern nations into a new international agreement on climate policy remains unclear. Ghosh and Woods explore a variety of interesting changes in decision making procedures that might address this.

Both books make important contributions to the study of climate change politics by bringing together contributions from many of the world’s leading scholars on climate change politics and economics. Even the most experienced researcher into the problems of international climate policy will find new insights and will be stimulated to develop new research questions. However, both collections might have been improved by a concluding chapter from the editors drawing together the lessons from the separate studies and reflecting on the contribution that those studies might make to debates about climate policy.

I highly recommend both books.

David Layfield
Political Science
University of Maryland, University College Asia
© 2010, David Layfield