The Good, the Bad, and the Ugly:
EU-US cooperation on climate change

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Since this is a conference on culture and politics, and since my topic is transatlantic relations, today’s remarks will be framed about a great transatlantic cultural contribution: the film “The Good, the Bad, and the Ugly”. For those of you that are not fans of spaghetti westerns, they are the ultimate in U.S.-European cooperation. “The Good, the Bad and the Ugly”, for instance, was written and directed by a team of Italians, starred both Americans and Europeans, and was shot on location in Spain. Many still consider this film to be the greatest Western in cinema history.

![The Good, the Bad, and the Ugly](image)

Given the title of this session, “Road Conditions on the Transatlantic Climate Bridge,” it is worth noting that this film features a terrific, over-the-top scene where the Good and the Ugly characters together blow up a bridge in order to distract armies from the “north” and “south”. So I'll beg your forgiveness in shamelessly blending these two—even three—metaphors.

When it comes to the international effort to address climate change, there is little doubt that a transatlantic bridge is needed. The question remains, however, to what end? I think that a quick review of the good, the bad, and the ugly of the current transatlantic relationship will show that, among other things, the old bridge has had structural flaws in how politics, political culture, and political systems in the U.S. and EU structured their negotiations with one another. That has contributed to how the sides have viewed the challenge, and viewed one another. As a result, a new bridge—that is, a new climate regime—is in order that takes into account those different political cultures and systems.

Starting with the EU, it’s easy to start with the good. All students of institutions will tell you that a long-lasting institution requires a mission and a founder. With
apologies to Al Gore, the EU’s moral mission and their founding spirit has been
driving force in building a global climate regime. That was the case before Kyoto,
and it certainly has been the case during the Bush Administration. This extends
from establishing the soundness of climate science to showing the way in policy
action. Importantly, Europe took on an ambitious policy target at Kyoto, and
appears close to meeting that target.

Why? One key factor in this success story is that the European political system
allowed this to happen by empowering minority parties. In a parliamentary
system, if a minority party such as the Greens captures 10% of the vote and then
joins with a winning coalition, they will then make up 20% of the coalition’s votes.
That will usually win them a cabinet position or two, and an ability to make a
priority of their signature issue. This is exactly what happened in climate change,
where Green parties throughout the continent—especially here in Germany, but
also in the Low Countries, Scandinavia, and elsewhere—have prioritized this
issue, coordinated amongst themselves and with other countries, and have
scored major successes. In the United States, 10% of the vote would be a
laughable also-ran. In Europe, 10% is a mandate to change the world.

Political systems don’t account for all the difference between the United States
and Europe. European private citizens, NGOs, and corporations also have
moved the needle. These Europeans have not viewed climate change as a
technological or an economic issue. They have viewed it as a matter of basic
common sense morality, politics, economics and culture. So, that combination of
political institutions and political culture has made the issue a priority across the
continent, easy for the media and the general public to understand.

Now, as someone with nearly fifteen years spent in Europe and with Europeans
trying to build a global climate regime, I think all of us would recognize that there
has been some bad. I would characterize that “bad” as a series of bad
assumptions about how European diplomatic and institutional culture applies to
global diplomatic culture and institutions.

The first bad assumption Europeans often make is that other industrial countries
would respond as quickly and as ambitiously to the same set of data. Perhaps
European leaders assumed this because ambitious targets at Kyoto came
relatively easy for Europe, thanks in part to early actions in Germany, France and
the UK. While Europe’s big three took policy efforts in the 1980s and 1990s that
reduced their greenhouse gases, these reductions were not made with the
intention to fight climate change. They were done for an entirely different set of
motives—the shutting of the inefficient East German economy, the effort to
develop nuclear power in France, and Margaret Thatcher’s effort to shut down
the coal mines.

This pride in exogenous motives reinforced a second bad assumption: that
Europe’s own post-war experience in inter-governmentalism could be applied
globally. That is, since WWII, members of the EU have negotiated their integration with one another first, and then have legislated it later domestically. When Europe’s various national publics protested, the common refrain of the member-states was “the EU made me do it.” Indeed, European governments have come to treat the negotiations themselves as legislation. Needless to say, that approach to governance does not easily apply in other countries. In other words, Europe has a unique post-World War II view of “sovereignty-as-a-problem” that much of the rest of the world simply does not share. Sovereignty hawks still dominate, from Washington to Beijing to Delhi to Moscow to Mexico City.

Finally, European diplomatic culture also has a different understanding of what it means to join a “binding” agreement, again based on this post-war experience. Rules in the European system are much like traffic speed limits: there is an expectation of some non-compliance. That is ok. Flexibility in international regimes is a good thing, so long as most states comply most of the time. Speed limits provide a good analogy. Having driven in from the Frankfurt airport yesterday at speeds of up to 190 km/hour in 120 km/hour zones, I can say that the European effort on climate is a much higher level of compliance. But that climate compliance is also not as strict as traffic enforcement in the small southern town where I live—Charlottesville, Virginia—where going five miles per hour over the speed limit will earn you a $100 ticket.

Having reviewed Europe’s track record in implementing Kyoto, I draw the conclusion that while the European political system tends to reward mobilized minorities and to legislate through a series of intergovernmental negotiations, the net result has been a set of rules and policies that mass publics in various countries sometimes do not to fully understand and embrace. To this outside observer, this could be said in general about the EU’s off and on efforts to deepen the continent’s constitution. In the narrower context of climate change context, Europe’s solid track record of implementing Kyoto targets also demonstrates how it leads to failings. The high ambition of mobilized minorities combined with the slightly lower ambition of mass publics to lead to a good, but not great, implementation record. What the chart below shows is that Europe will fall just short of its Kyoto targets of an 8% reduction continent-wide. And had it not been for the flexible mechanisms of emissions trading and “carbon sinks”, Europe would not even be close. It is important to note that Green parties originally pushed for meeting Europe’s 8% reduction target purely by domestic action, and opposed to these various market mechanisms, since they felt the latter to be shirking the moral obligations to change life-styles and reduce emissions. Yet those mechanisms are likely to allow Europe to come into compliance with Kyoto.
So if Europe’s political culture to date has been mostly good with some bad, what about the ugly? There has not been much, but if there has I would point to those ugly moments where European rigor turned rigid, and where European negotiators let the perfect be the enemy of the good. None was worse, in my view, than in the days and years immediately following Kyoto, with respect to how Europe treated America’s support for these market mechanisms. This was an example of Europe having led the rest of the world toward a finish line, but where Europe could not accept a compromise that sometimes is the essence of true leadership. That is, sometimes leading requires understanding why one’s followers have good reasons for not willing to go the extra mile. In this case, the ugliness showed itself at The Hague in December 2000. At the time, the U.S. was still a constructive partner in the talks, and was pushing the market mechanisms that European now need to come close to meeting their Kyoto target. By not accepting them at that moment, the EU missed an opportunity to demonstrate that it was willing to accept a good idea that others had put forward.
Now, having perhaps offended my hosts, I’d like to try to outstrip my President’s performance last week in Cairo in pointing to mistakes by my own country.

Any rational discussion of U.S. engagement on climate change in the last eight years must begin with a discussion of the ugly. “Kyoto” has become a global code word for American arrogance. That is, by snubbing the Kyoto Protocol in 2001, the U.S. gave notice that it was going to act independently of international consensus and collective action. The Bush Administration declaration of independence from Kyoto, in fact, ran counter to the opening stanza of our nation’s own Declaration of Independence, where Jefferson famously argued that “a decent respect to the opinions of mankind requires that [the U.S.] should declare the causes which impel them”. In contrast, President Bush’s nearly eight years of intransigence (including nearly five years of denying and repressing the basic science of climate change) expressed an open disregard for an international institution, not to mention the opinions and interests of mankind, without really declaring the causes.

While that may have been ugly, it reflected a deeper challenge within the American political system that we might characterize simply as “bad”. In contrast to Europe, where the political system has created an opening for activism on behalf of protecting the climate, the structure of American politics has been an obstacle to action on this issue. That is, our federal system—and particularly the United States Senate—empowers minorities to block action. Beyond that, or perhaps as a result, our politics tend to prioritize economic performance—at times almost entirely to the exclusion of other policy priorities. Moreover, “low-expectation pragmatism” can lead to half-measures. Even among those who have an enlightened perspective from that part of the world—Richard Lugar or Richard Gephardt—there is almost a despair at the complexity of the challenge. Dick Gephardt has referred to climate change as the most complex political transaction in the history of mankind.

Much of this revolves around the U.S. Senate. This chart below shows the current strength of support for climate legislation in the Senate. Remember the magic number for passing legislation is 50, but in order to get a vote on a bill in the U.S. Senate, you need to get 60 votes to end debate. Beyond that, to ratify a treaty you need 67 votes. What this map shows is that there are really only about 35 assured votes to pass a climate change bill, and another 27 or so swing votes, which come either in states with heavy coal or steel, or in states which are toss-ups between Democrats and Republicans. In other words, the margin of error is extremely thin.
One key nuance should not be ignored. Rather than try to get 67 votes after a negotiation to ratify an agreement, the hope of supporters of Waxman-Markey is to simply pass a domestic law first, and base the international negotiations on that law. In the best of all worlds, that would happen before the Copenhagen agreement, as a way of sending a signal to the world that the U.S. has actually adopted a climate change law. There is a strong preference to have all of this happen before Copenhagen so that the U.S. does not pass a law because the international community has told it to pass. That is particularly true in the Senate, which guards U.S. sovereignty with all the religious fervor that was associated with that word when the Thirty Year’s War gripped this continent six hundred years ago.

And it is particularly true among Senators from the right, who tend to question the basic science around climate change, or at the least, the priority with which we should tackle the challenge. So while it is clear to everyone that Europe, in particular, has led America to the point of passing a real climate change law, this will be sold in the United States as an example of American leadership and independence. But at least it will live up to Jefferson’s spirit of having the opinions and interests of the rest of the world in mind.

So if the ugly is our go-it-alone arrogance, and the bad is the empowerment of minorities to block action, particularly with respect to entangling alliances, where is the good? As John Podesta laid out yesterday, a critical mass is building in the United States, led by President Obama. And that critical mass extends to
Congress, where despite institutional obstacles, it is quite likely that cap and trade legislation will pass the House of Representatives early this summer, and that some good “blood sausage” will make its way out of the Senate in the next year. When you add to that the other policies and measures, as well as the Kyoto mechanisms, the chances are good that the U.S. will live up to Winston Churchill’s famous line: "America can always be counted on to do the right thing, after it has exhausted all other possibilities." After a decade of learning, the upside of American pragmatism appears to be rising.

The real benefit of this is that the domestic consensus for action appears to be increasingly broad-based. George Bush’s Republican Party is in disarray, and a small number of the brightest rising stars in that party have pointed to climate change as a policy where the GOP needs to get on the right side of history. My own sense is that that will not happen in this Congress or the next one. But, slowly but surely, beginning with domestic action, a domestic consensus is building that is extending to public commitment.

And as John outlined yesterday, that is being met with movement in government—even if it is not a Manhattan project, or a moon shot, it is a significant ramp up in government spending, big labs and small, a new power grid, refurbished homes, and ramped up building and appliance and automobile standards. That is being reflected by a sea-change in industry, media, and local political establishments. The map below shows that almost thirty states have adopted climate change legislation of one kind or another. Beyond that, hundreds of municipalities have adopted climate change action plans. Make no mistake, Waxman-Markey is a major step forward, and other efforts are moving in the same direction.
States adopting climate change action plans. 2008.

So that takes us to where the international negotiations need to go—that is, the new bridge that the U.S. and Europe need to build together. That bridge must be built on Europe’s historic role as a leader on the issue, and must take advantage of the United States’ self-centered following-by-not-following conceit, and must build beyond it to bring in the big emerging nations.

Think of this as a dangerous river that needs to be crossed. There is an old bridge which connected two shaky promontories, and whose structures are falling apart. It could be repaired, but if you want to travel at Autobahn speed, you might be better off blowing up the old one, and building a new one that connects two more stable points. To strain this analogy, the old bridge was found on a road that went from Berlin to The Hague (with Kyoto in between). It was always shaky, with missing sections. Kyoto was a mid-point, high-point in the bridge.

I already mentioned the side of the divide that is closest to us in time: The Hague negotiations in 2000, which marked the last time the U.S. sent a team of negotiators to the table who genuinely wanted to address the climate crisis. The failure to bridge the U.S.-EU divide gave the incoming Bush team ammunition to dismiss the UN process as hopeless. Of course, Europe went on to adopt those mechanisms, which have helped them to come into compliance with the Kyoto targets. Europe and the United States need to continue to urge one another to keep their ambitions high on this front, and not rest on their accomplishments, if the are going to convince developing countries that they really are serious about having those nations do the same.
With President Obama’s election, industrial country emissions have become the more stable side of the bridge. The less stable side is the one that started in Berlin, with the negotiation in 1995 of the so-called “Berlin Mandate” which set the separate responsibilities—indeed, separate international regimes—for industrial and developing countries in fighting climate change. The bed-rock of the Berlin Mandate was a sound one. In 1995, when negotiators met in Berlin, China, India, Brazil, Indonesia, etc., were each just beginning the process of liberalization, so the difference between them and industrial countries seemed clear enough. Up to that time—and still today—industrialized countries had principally been responsible for the vast amount of emissions in the atmosphere, and for the warming we have experienced and will experience in coming decades. At the time, Chinese emissions were still under three gigatons. Now they are emitting over seven gigatons.

Still, when negotiators tried to pour concrete treaty language onto the bed-rock of common but differentiated obligations, they did so in a way that could not withstand the earthquake that was coming: the explosive economic transformation presented to the world thru the rise of emerging powers. As a result, Berlin exempted developing countries from the same kind of binding obligations as industrial countries. It actually went beyond that to prohibit developing countries from taking on targets. Staggering growth in a dozen developing countries has lifted a billion people out of poverty and has raised downtown skylines that rival New York or Frankfurt or Tokyo. While few could have foreseen how quickly that might happen, negotiators did ignore the lesson of trade negotiations in the last five decades: there needs to be an avenue for developing countries to “graduate” into middle-income or even full fledged industrial standing.

The new bridge, then, starts in Copenhagen. It needs to be seen as a constitutional discussion. While Dick Gephardt may be right that this is mankind’s most complicated transaction, it is not and should not be seen as a one-shot deal.

I’ve argued elsewhere that this agreement needs to have at least five components (which I call the five Gs). It should start with a small group of states who meet regularly—essentially, what the major economies’ forum has become. They should craft a general agreement, one where the definition of “binding” is much closer to what we understand in trade agreements (and where compliance is slightly stronger than the speed-limits on the Autobahn, but perhaps less so than in small southern towns in the United States.) As in the successful fifty years of the GATT system, the ambition of those agreements would gear up domestic
action in successive rounds. In order for that process to have meaning, though, the end goal would be clear over the course of a generation.

The advantages of this approach are that it does not pose a direct challenge to national sovereignty. Instead, it coordinates the work of states in a way that respects a diversity of local governance, and has a greater chance of getting buy-in from the key players. Lastly, as with the trade regime, it must overcome the biggest challenge for global governance in today’s world: how to graduate nations when they emerge from being developing nations into industrialized ones. This is not to say that this approach is not without its challenges. An approach built on the history of negotiating the GATT does not guarantee fast domestic action, could leave many smaller states feeling left out of the process, and could make more difficult the transition for many of these states into the system.

Let me spend a few minutes on graduation. Taken in broad cultural and historical terms, changes in membership—accession, evolution, expansion, and secession—have undermined almost every transnational constitutional system in the history of mankind. In a sense, addressing membership has been at the heart of Europe’s own twenty-five century process of sorting through its own constitution, dating back to Greek city-states, to Rome’s transition from a republic to an empire, to the continental and intercontinental expansion and dissolution of Christendom. Three millennia later, Europe now has a model for global governance—and for allowing accession—that is both inspiring and challenging. It is inspiring for how it built peace and prosperity after World War II and helped to peacefully end the Cold War. It is challenging because it needs to be adapted globally to climate change, in a world where future entrants, economic laggards, and new aspirants from the developing world have a very different domestic politics and views of sovereignty.

America—whose outsized pride in its sovereignty and political history I’ve already mentioned – has its own history of dealing with membership. Our own short two hundred years of Constitutional history includes a major land purchase from the French, one civil war, several border wars north and south, and a now-stalled effort to integrate our economies with our neighbors. Without question, the most difficult item in recent history has been relations with Mexico, where the American ambivalence about our less developed southern neighbor extends from trade to immigration to drugs to environmental issues. So I will not even try to preach to Europe on how to deal with its “near-abroad” challenges, given our own spotty record.

That said, when it comes to climate change, the United States and EU must begin with a common set of reference points in building a truly global regime.
First, we must understand that the developing world is a diverse place, with a wide range of challenges and opportunities, and hence equities. The simple model of “north” and “south”, “industrial” and “developing” no longer applies. Emerging markets blend first world economic cores with still crude industrial development, with rudimentary legal and regulatory frameworks, and with the most of extremes of poverty. Even if there are still hundreds of millions of very poor living in these nations, their central governments do have some resources for addressing their plight.

So our effort to engage with them should begin with the premise that each should be taken at their own level of development, and their own level of capacity for addressing the issues at hand. That means also acknowledging and giving credit for actions that they already may be taking to address climate change. In the case of China, these are already considerable, and are growing by the day. And it means starting to learn and understand how their political systems are—or are not—suited for addressing the crisis. Each of them has their own complicated map of political constituencies, political processes and public education efforts that need to be taken into account.

Moreover, working with China and India in particular (as well as Russia) is critically important for how this issue connects to three other global governance challenges: nuclear energy and non-proliferation, reenergizing the global trade regime, and redrawing the scrambled global financial architecture.

The other great challenge lies beyond them, where the poorest are likely to suffer the most from climate change, and also still lack capacity to adapt and respond. Perhaps the most effective way to reach out to developing countries and to the poorest nations is by focusing on real areas of opportunity, where mitigation and adaptation can be addressed simultaneously. This certainly applies in areas such as deforestation and coastal preservation. But it also extends to infrastructure development, especially power generation, transportation, construction.

And while we all are rightly focused on a non-carbon future, we should not ignore the other greenhouse gases which are critical—especially black carbon, nitrous oxide, methane and the man-made gasses. Some of these have a faster impact on the climate, such as black carbon which directly is forcing warming in the arctic as well as the “third ice cap” of the Himalayas. Some of these also last much longer than CO2, in particular the man-made gasses which are relatively cheap and easy to replace. All of these are relatively easier to address than carbon, and offer real opportunities for US-European cooperation in helping to address them. A joint US-EU undertaking on these—perhaps teamed with India and China—could provide a real, tangible deliverable for Copenhagen,
particularly in the event that the full framework does not come together this time around.

In short, we need to combine forces. We need to mobilize Europe’s leadership on the issue: its moral vision, its emphasis on lifestyles, its empowered minorities, its two millennia of experience in constitutional construction, its technological elegance, and its long-standing ties in key places around the world—from Russia to Africa to Latin America to Southeast Asia. We also need to mobilize America’s entrepreneurialism, imagination, regulatory uniformity, and complimentary long-standing ties in other key places around the world, such as East Asia, South Asia, and Latin America. If built together, the new bridge that starts in Copenhagen can be a solid and steady one—strong enough not only for a 190 km Audi station wagon or a hybrid Hummer, but maybe for a solar-powered maglev train.