



Ralph Miliband series on the restructuring of world power

The Regime Complex for Climate Change

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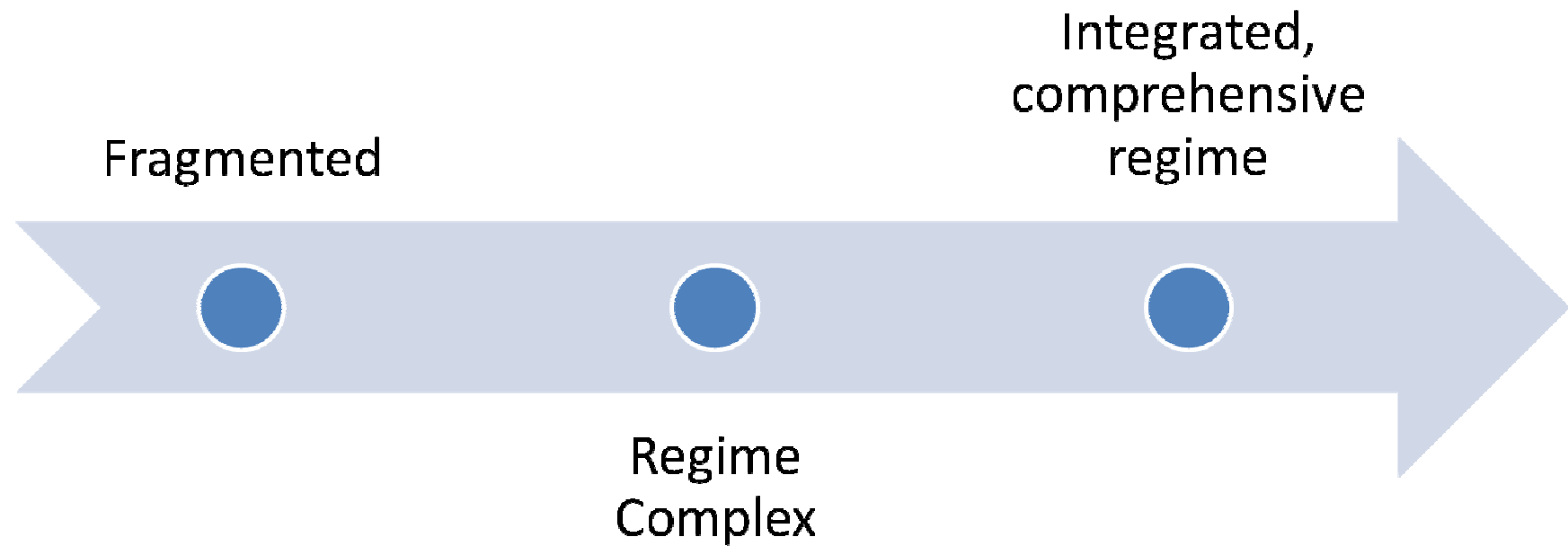
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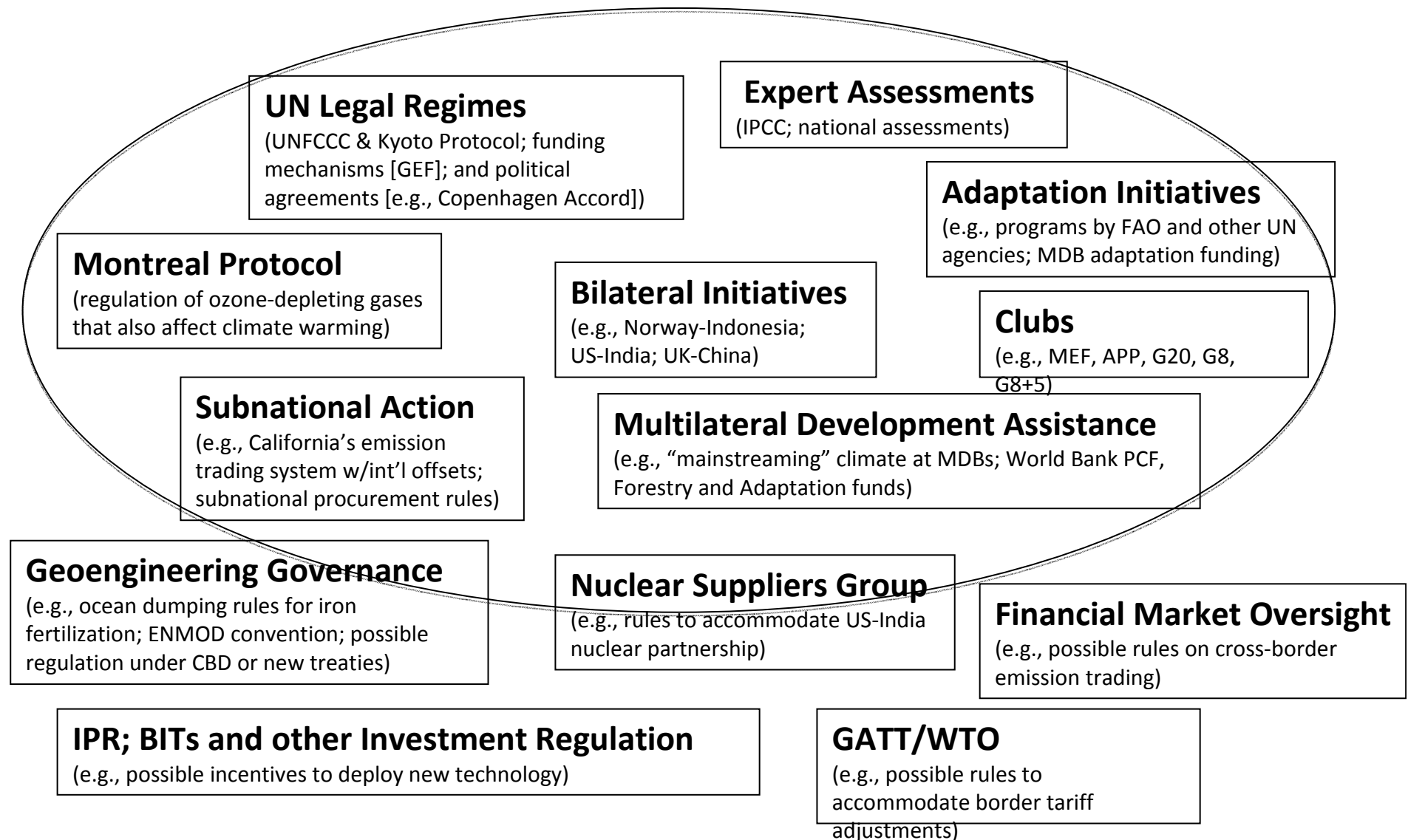
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Robert O. Keohane

The Regime Continuum



The Regime Complex for Climate Change



Problem Diversity: Four Distinct Cooperation Problems

- *Coordination* of emission regulations
- *Compensation* – financial transfers
- *Adaptation* – including possibly geo-engineering
- *Stimulating innovation* despite difficulties of commercialization due to public goods issues.

The Key Political Problem

- Costs are immediate.
- Benefits are uncertain and in the future.

Salient Features of Climate Change Problem

- Divergence of Interests
- Pervasive Uncertainty
- Difficulty in making linkages
(compared to trade, for instance)

Also, interests, uncertainty, and linkages are themselves changing quickly.

The Clean Development Mechanism: negative and positive aspects

CDM: Designed to engage developing countries.

But perhaps 2/3 of CDM credits have not represented genuine reductions.

Change difficult due to the nature of the UN process: multiple vetoes.

However, CDM has generated useful experience for offsets.

Advantages of regime complexes:

- Flexibility
- Adaptability

What a Regime Complex Could Do

- Facilitate emissions trading
- Innovate around land use and forestry (REDD: Reducing Emissions from Deforestation and Forest Degradation)
- Devise sensible Border Tax Adjustments
- Foster Innovation Clubs.

Conclusions

- Regime complexes are not ideal -- an optimal comprehensive regime would be better – but they are the best we can do under present political circumstances.
- We should “make the best of a bad situation.”
- Regime complexes have advantages: notably flexibility and adaptability.
- The UNFCCC would play an umbrella role, but not be central to the process as it has been.



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