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International Climate Change Negotiations: Morality Tale or Bargaining for Mutual Advantage?

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Pessimism

- “Today the UN climate talks are in serious trouble (...) The West made considerable compromises (...) China, India, and Brazil (...) never reciprocated with *any* policy offers and unapologetically trumpeted their freedom of economic development regardless of environmental impacts.”

Dimitrov 2010

Optimism

“China’s commitment to a low-carbon economy has been under-appreciated around the world. (...) There is no country more important than China in leading the way to a radically different, more dynamic, and much more desirable form of growth. There is no more important power than the power of the example.”

Nicolas Stern 2010

“Aggregate climate governance comprising regional, national, sub-national ... initiatives is thriving.”

Dimitrov 2012

UNFCCC

- COP 15: Copenhagen 2009
 - Danish Draft text
 - 50% global reduction by 2050
 - 80% reduction by 2050 by developed countries
 - => 2:1 ratio in emission per capita for developed: developing countries

Outside of UNFCCC

- EU's 'Roadmap for Moving to Competitive Low-Carbon Economy by 2050' (95% cut)
- China's 12th Five-Year Programme 2011-15

12th 5YP

- 7 pilots for emissions trading
- Reduce CO₂/GDP
- Energy efficiency
- Solar, wind and nuclear
- Afforestation
- Monitoring and accountability
- Train and light rail transit systems
- Recycling

“Clubs”

- Asia Pacific Partnerships on Clean Development and Climate (2006-11)
- Major Economies Forum on Energy and Climate (MEF) (2009-...)
- G8 + 5; G20
- Joint US-China Collaboration on Clean Energy (JUCCCE)

Bilateral Agreements

- China ~ UK
 - Coal Combustion Technology
- Australia/France/US ~ China
 - Nuclear energy
- China ~ UK
 - Emission trading:
 - design, regulation, IT, monitoring ...

- Climate change is ...
 - Collective action problem
 - With structure of Prisoner's Dilemma
 - Aiming to Avoid a Tragedy of the Commons

Birbar Story

Birbar sent for a hundred wise men (...) Showing them an empty well, Birbar said, "His Majesty orders that at once every man will bring one bucket full of milk and pour it in this well."

The moment they heard the royal order, every one reflected that where there were ninety-nine buckets of milk, how could one bucket of water be detected? Each one brought only water and poured it in. (...)

The king said to them all, "What were you thinking, to disobey my order? Tell the truth, or I'll treat you harshly!"

Every one of them said with folded hands, "Refuge of the World, whether you kill us or spare us, the thought came into this slave's mind that where there were ninety-nine buckets of milk, how could one bucket of water be detected?"

Collective Action Problem

- Whatever the other parties do, I am better off by undertaking the non-cooperative action
- If everyone undertakes the non-cooperative action, then the outcome is worse for everyone than if everyone had undertaken the cooperative action.
- Climate Change
 - Non-cooperative action is the careless usage of the atmosphere as a commons

Cooperative Game-Theory

- If parties can confer, they will bargain their way to some collectively rational solution
 - Wise men
 - would determine the water-milk mixture that is indistinguishable from pure milk to the king's eyes;
 - would agree that water pourers compensate the milk pourers so as to incentivise them.

Bargaining Theory and Morality

- John Nash “The Bargaining Problem” (1950)
- Richard B. Braithwaite *Theory of Games as a Tool for the Moral Philosopher* (1955)

Puzzle

- Why is no global cooperative solution being reached, yet there are many successful more restrictive (regional, national, supranational) initiatives?

Retelling Braithwaite

- Housing unit with musicians
- Cacophony inhibits practicing
- Important upcoming concert
- No unanimous board decision about reasonable coordination of practice times

Reasons

Radically Conflicting Interests

- Piccolo players
 - => Tuvalu
- Historical grievances
 - => Bolivia, Cuba, Venezuela, Sudan
- Brass instrument manufacturers
 - => Saudi Arabia

Conflicting Principles of Fair Division

- Egalitarian ideal
 - per capita/ per unit GDP?
 - Relative to production/ consumption?
- Historical responsibility for past pollution
- Respecting legitimate expectations on grounds of past investments
- Historical responsibility for past (research) and development
- Population pressures

Level of Implementation and Content of Agreement

- Negotiated by representatives of musicians
- Diplomatic agreements that need ratification back home
- Time-coordination arrangements
- UNFCCC's Targets and Timetables for emission levels

“Mute & Lid” solution

- “Mute & Lid”
 - Bilateral agreement
 - addressing local overlapping interests
 - attaining mutual advantage
 - at level of implementation involving relevant parties
 - Motivation to sign on
 - new emerging culture

Motivation

- Sensitivity to climate change
- Pollution
- Energy security
- Participation in low-carbon economy

“Ever tried.
Ever failed.
No matter.
Try Again.
Fail again.
Fail better.”

Samuel Beckett