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Learning the Hard Way? European Climate Policy After Copenhagen

Constanze Haug and Frans Berkhout

For the European Union, the December 2009 United Nations climate change conference in Copenhagen represents more than a grand failure of political strategy—it represents an identity crisis. Over the past two decades, climate change and European policy responses to it have fulfilled a number of important roles for the Union. The emergence of a coherent international climate policy regime through the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol was a powerful illustration of seemingly effective multilateralism and sustainable development. Europe believed that it had played a leadership role in creating and sustaining this global regime¹ and earned prestige domestically and internationally by taking an approach consistently different from the United States, especially after President George W. Bush announced the U.S. withdrawal from the Kyoto Protocol in 2001. Climate change increasingly became a powerful rationale for furthering the European integration project and an important legitimization for EU action.²

Copenhagen severely challenged two core assumptions underpinning the European attitude towards climate change policy: (i) Hope for a unifying global regime has been dashed, and (2) European pretensions to political leadership were cruelly exposed as just that - pretention. It remains to be seen whether climate change will continue as a major theme in broader European narratives. In this short article, we discuss the EU's objectives for, and

performance in, Copenhagen, before looking at the European response to the results and the prospects for the EU's external and internal climate policy strategy.

<1>The EU's objectives at Copenhagen</1>

The EU had clear objectives for Copenhagen. Long in the making, these were reiterated at the European Council meeting on 29 October 2009.³ The EU believed that a Copenhagen agreement should lead the way to a “comprehensive, ambitious, fair, science-based and legally binding global treaty”⁴ from January 2013, taking account of the 2°C objective, building on the Kyoto Protocol, and encompassing all four elements of the 2007 Bali Action Plan: mitigation, adaptation, technology, and financing. On mitigation, the Union called for ambitious greenhouse gas emission reductions commitments by developed countries, amounting to 30 percent below 1990 levels by 2020 and at least 80–95 percent by 2050, as well as “appropriate mitigation action” by developing countries.

The outcome of the summit was far from meeting these ambitions. A non-legally binding Copenhagen Accord, negotiated by a small group of states in the margins of the main negotiations, was “taken note of” by the Conference of the Parties (COP) to the UNFCCC. The accord invited national pledges on emissions reductions from developed as well as developing countries, abandoning the notion of coordinated emissions reductions efforts. The accord does pay lip service to the 2°C global warming target. However, the pledges submitted by industrialized countries by the deadline of 31 January 2010 (from 55 countries, covering 80 percent of global greenhouse gas emissions) only add up to emission cuts of 12–19 percent below 1990 levels by 2020, depending on the assumptions made, and are poised

to generate more than three degrees of global warming by 2100.⁵ The accord also contains starting points for the other parts of the Bali Action Plan.⁶

<1>The EU at Copenhagen</1>

Compared to previous climate negotiations, the EU seemed well prepared going into Copenhagen. European leaders had used previous forums such as the G8, G20, and the Major Economies Forum to create a sense of political urgency about climate change. The EU could boast a better record of domestic climate action than any of the other rich countries, showing evidence of domestic emission reductions and with its Kyoto target (–8 percent between 2008–2012, from 1990 levels) well within reach.⁷ For the post-2012 period, EU heads of state had in 2007 already adopted a unilateral emission reduction target of –20 percent by 2020 (base year 1990) and offered to raise it to –30 percent if a broad and ambitious agreement was crafted at Copenhagen. With the 2008 climate and energy package, the EU had also established the basic policy framework for achieving these objectives.⁸ In addition, the EU had made ambitious commitments on financing low carbon technologies and adaptation. On the surface, European negotiators also seemed better organized than in the past. Lack of flexibility in negotiations has been an eternal problem for the EU, with much time wasted on coordination among European delegations and little time and resources left for outreach and negotiations with partners. An improved system of designated “issue leaders” and “lead negotiators” responsible for particular topics, in place since 2004, had over time brought greater coherence to the EU position in climate negotiations.⁹

Yet it is quite clear that, apart from partial successes as the endorsement of the 2°C target in the Accord and the provision of “fast track finance”, the EU did not succeed in pulling its weight at Copenhagen.¹⁰ One of the reasons was an ineffective Danish COP presidency. A leaked Danish draft of a possible resolution had alienated developing countries during the first week, followed by a clumsy handover of the Presidency from the Danish Environment Minister, Connie Hedegaard, to the Prime Minister, Lars Løkke Rasmussen, who, overwhelmed with the diplomatic and procedural nuts and bolts of the negotiations, had to step down during the arduous last night of the summit.¹¹ The Swedish EU presidency and in particular its Prime Minister, Fredrik Reinfeldt, were also widely seen as ineffective.¹²

But the European failure at Copenhagen was not due to its leaders’ performance alone. There were more fundamental issues at stake. First, the European negotiating position misjudged the grounds on which it was possible to seek reciprocity.¹³ Since it entered the negotiations with a firm target, the EU had little negotiating leverage. Its “big carrot”—the willingness to go up to –30 percent emissions reductions—received no counter offers because it failed to target the concerns of the other large emitters. The EU, Japan, and to some extent also Russia ceased to have a swing vote in Copenhagen because their involvement was taken for granted, no matter where their pledges might settle. This was not the case for the U.S. or China.

Second, a European strategy for an ambitious and binding agreement failed because all the big emitters themselves were constrained in their positions at Copenhagen: the United States was concerned about the political acceptability of tough emissions reductions at home; China was concerned about a middle class that expects growth; India had not settled

a bitter internal debate about climate and energy policy; and South Africa (like Australia and Canada) is a major fossil energy exporter. Lack of agreement was therefore also caused by a collectivity of weak leadership. The hope that 119 heads of state would arrive in Copenhagen and break the deadlock proved unfounded.

Third, Copenhagen confronted the EU with new geopolitical realities. Although important when looked at in historical terms, the EU is at present a relatively small contributor to global greenhouse gas emissions (currently about 11 percent of annual global emissions) and is set to become even less significant in the future if it achieves its emission reduction objectives and as emissions from other world regions grow. This has a bearing on Europe's negotiating power in the global climate arena. European leaders were not involved in hammering out the political deal on the evening of December 18 between U.S. President Barack Obama and the leaders of the new BASIC (Brazil, South Africa, India, and China) group of countries that laid the basis for the Copenhagen Accord.¹⁴ To some extent, these changed relations may now be a fact of life that the EU must learn to accept—the climate that Europeans are granted is the climate the Chinese, Americans, and Indians, as the main emitters, give them.

Last, and perhaps most traumatic for European self esteem, Copenhagen showed that its mental model of a climate regime was not widely shared. Europeans have been deeply invested in the “Kyoto model” of coordinated emissions control, based on top-down, agreements involving a big number of state parties (large-n agreements) and “grand deals”—funding and technology in exchange for emissions limitations. But after Copenhagen, the climate regime seems to be moving towards a model that emphasizes

bottom-up pledges by countries, small-n negotiations and a focus on monitoring and reporting mechanisms.¹⁵

The experience of Copenhagen, which UK Prime Minister Gordon Brown described as “at best flawed and at worst chaotic,”¹⁶ provoked many bitter responses across Europe. Commission President Barroso called the accord “a positive step but clearly below our ambitions.” He also said: “I will not hide my disappointment.”¹⁷ Angela Merkel, the German Chancellor, echoed this by admitting that “the decision has been very difficult for me. We have done one step, we have hoped for several more.”¹⁸ The Swedish presidency was quick to label the conference “a disaster” that “was mainly about other countries really (being) unwilling, and especially the United States and China.”¹⁹ Yet after the immediate disappointment, during January, a process of reframing was already evident. Hedegaard, for instance, argued at her European Parliament hearing as designated new EU Commissioner, “I would very much have liked to have seen more progress in Copenhagen, but finance was delivered; all the emerging developing nations have accepted co-responsibility [for reducing emissions] and Brazil, South Africa, China, India, and the U.S., all of whom were not part of the Kyoto Protocol, have now set targets for domestic action.”²⁰

<1>Looking beyond Copenhagen</1>

As we have argued, Copenhagen is a watershed in a number of ways. It is a geopolitical watershed because it demonstrated the power of emerging countries at the expense of Europe. It is also a watershed for the global climate regime, now faced with profound questions about the future of UN climate multilateralism.

Most of all, Copenhagen represents a watershed for the EU's international climate policy. In the near term, the Union may have to look for ways to streamline its climate diplomacy. Hedegaard noted meekly after the summit, "In the last hours [of Copenhagen], China, India, Russia, the U.S., and Japan each spoke with one voice while Europe spoke with many different voices. Sometimes, we're almost unable to negotiate because we spend so much time talking to each other.... A lot of Europeans in the room is not a problem, but there is only an advantage if we sing from the same hymn sheet."²¹ After the Copenhagen experience, EU Member States might be more prepared to accept a stronger coordinating role for the Commission in the negotiations. This would mirror to some extent the situation in trade negotiations, where EU Member States act as "mothers-in-law," looking over the Commission's shoulder.²²

In the longer term, the choices for the Union are more complex. Does the EU simply acknowledge that it is a diminishing voice in world affairs, including climate policy, and that the new "great game" is being played elsewhere, or does it pursue a strategy to increase its leverage? Should the EU play Mr. Pragmatic, Mr. Nice, Mr. Persistent, or Mr. Nasty?²³ The "Mr. Pragmatic" camp would argue that the EU abandon the notion of a unitary global climate regime and get used to the new reality of a fragmented global climate arena. It would follow the U.S.'s lead in small-n negotiations and make do with what is feasible as a junior partner in this new arrangement.

The "Mr. Nice" camp would argue for continuity in EU strategy: continuing down the "targets and dates" road, emphasizing the role of European soft power in a multipolar global order. By setting the right example, Europe might be able to extract more ambitious

commitments from the U.S. and other large emitters. This position is supported by climate activists, but is also reflected in the current policy debate whether the EU should assert “leadership by example” by unilaterally committing to a 30-percent emission reduction target.

The “Mr. Persistent” camp would also continue with the current strategy, but with renewed vigor and a broader outlook. It would seek to reshape the EU’s role as an innovator and facilitator, garner support for the Copenhagen Accord in other international forums, and feed the results back into the UN negotiations. A “persistent” EU would insist on a comprehensive agenda for the global climate negotiations, including finance, technology transfer, and equity, thus moving from leadership by example to normative leadership. It would also, apart from scaling up finance and technology support, continue to implement ambitious domestic policies. Here it may also draw some interest from the BASIC countries, which are keen on benefitting from the EU’s experience in setting up and administering its emissions trading scheme, as well as its other climate policies.²⁴

Finally, the EU could choose a “Mr. Nasty” strategy, including more punitive policies such as border adjustment measures, debated in 2008 and revived post-Copenhagen, in particular by French President Sarkozy. Similar discussions have been ongoing in the U.S. since 2007, where several bills have incorporated carbon tariff provisions.²⁵ Border-tax adjustments may also be one of the few available sticks to force China, which has made clear that it is not interested in receiving external climate aid, to join a global climate regime. However, this strategy would not only represent a fundamental break from the objective of internal trade liberalization which has been one of the key norms guiding European integration over the

past decades, but also run counter the EU's historic position in the climate arena. As Swedish Minister Carlgren put it, "This is a decisive moment in choosing whether to continue pushing for a global agreement or going for a fragmented approach. [Such threats] would take us in a fragmented direction."²⁶

<1>A Watershed for the EU's Internal Climate Policy?</1>

Copenhagen also has important consequences for the EU's internal climate policies. The absence of a globally binding climate agreement is likely to increase internal fragmentation and disagreements on the appropriate level of climate policy ambition in the EU. As in other policy domains, enlargement has already complicated decision-making on EU climate and energy policy, and these divisions look set to get deeper.

Even in this context, it is clear that some climate policies, such as the EU emissions trading scheme (EU ETS) and policies on renewables, will continue to be pursued, because of their co-benefits and innovation value. But for others, the going may get tougher. The concerns over competitiveness that have been so dominant in the U.S. debate also loom large in Europe, especially in the current economic crisis. Furthermore, the failure of Copenhagen, which was preceded and accompanied by unprecedented media coverage and high expectations, has produced a sense of disappointment which, in combination with 'climate gate', the cold winter and the recession, has created an opportunity for skeptics and opponents of ambitious climate policy to turn public opinion in their favor. Climate politics, which seemed to provide only advantages to European political leaders, has become more fraught with difficulty, with no guarantees of success. Merkel, Sarkozy, and Brown all came

away from Copenhagen looking like losers to their domestic constituencies. Without any doubt, large-scale public mobilization on the climate issue has taken place over the last several years, and powerful green lobbies have emerged that will seek to resist a policy turnaround. Yet the extent to which they can counter-balance the current “climate backlash” remains to be seen.

<1>Conclusions</1>

The EU did not achieve what it wanted to at Copenhagen. The summit may well represent a turning point for EU climate policy, both internationally and internally. At the same time, climate change is not going away and remains a collective action problem. The question is when and how to respond. In this new phase of global efforts to address the climate problem, the EU could consider reforming its internal machinery and move towards a more centralized negotiation model. Yet it remains doubtful if the current political climate in the EU will allow for such a step. Beyond this, the EU must decide on the political strategy that it wants to follow—in other words, whether it opts for a Mr. Nice or Mr. Nasty, Mr. Pragmatic or Mr. Persistent approach. The recent Commission Communication on the EU’s post-Copenhagen strategy suggests a mix between Mr. Nice and Mr. Persistent – aiming to integrate the advances made by the Copenhagen Accord into the UNFCCC negotiations, moving forward on fast-track funding and REDD+, and emphasizing the building of a global carbon market.²⁷

Beyond these more immediate choices, however, the EU may have to change its broader outlook on international climate policy. First of all, it will need to adjust its model of a future

global climate regime. Given that a Kyoto+ agreement does not look like the most likely scenario anymore at this stage, the EU should be open for and actively engage with portfolio approaches to international climate policy. Secondly, the Union needs to be aware of its changing role within the international climate regime. It may not be able to exert leadership in shaping the regime to the degree it wants to, or influence others by ambitious target-setting. However, its industrial and technological leadership—leading the way to a low-carbon economy, as discussed above—will be a much sought-after competence also in a post-Kyoto world. Third, while continuing to build bridges with the developing world at large, the EU will need to shift the focus of its attention towards the “big polluters” and learn to pursue realist climate politics in which coalitions are sought with strong and not only with weak players.

Copenhagen will also have repercussions for EU domestic climate policy. A renewed internal debate about the speed with which the EU goes about reducing emissions is already under way, as reflected in the Commission’s pending impact assessment of the policies required to implement a 30 percent emissions cut by 2020. Given the failed attempt of “leading by example” at Copenhagen, the primary arguments for emission cuts may in the future be less linked to the EU’s international strategy, but be framed more strongly in terms of co-benefits, technological leadership, and the growth of new leading sectors of the economy, as well as concerns about energy security. Furthermore, there will also need to be a profound readjustment of policy towards adaptation. While the 2°C target has been endorsed in the Copenhagen Accord, the pledges received by the end of January deadline speak a different language. The EU and the rest of the world will now need to look towards a 3°C or 4°C world by the end of this century, with continued warming beyond that. This

requires getting over the schizophrenia that has existed at the heart of EU climate policy: whether to mitigate or whether to adapt. Climate policy needs to be both, with the balance of effort after Copenhagen swinging more strongly towards adaptation.

BIOS

Constanze Haug is a researcher at the Institute for Environmental Studies (IVM), VU University Amsterdam. Her research focuses on climate law and policy, in both their European and international dimension. In her dissertation, she examines the learning potential of simulation-gaming approaches in climate policy appraisal. She is grateful to Harro van Asselt, Andrew Jordan and Benjamin Pohl for comments on an earlier version of this article.

Frans Berkhout is Professor of Innovation and Sustainability, and Director of the Institute for Environmental Studies (IVM) at the VU University in Amsterdam, The Netherlands. Among other advisory roles, Professor Berkhout was a lead author in the IPCC's Fourth Assessment Report (2007) and chairs the Industrial Transformation project of the International Human Dimensions Programme (IHDP). His early research was concerned with the economic, political and security aspects of nuclear power. His more recent work has been concerned with technology, policy and sustainability.

<NR>NOTES

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² “We can say to the rest of the world—Europe is taking the lead. You should join us in fighting climate change.” European Commission President José Manuel Barroso at the Spring Council 8–9 March 2007. http://ec.europa.eu/energy/energy_policy/index_en.htm (accessed 15 July 2009).

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