



The Current Column
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**Back to Copenhagen: What does
citizen's engagement mean for
climate protection as long as there is
no global climate agreement?**

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Back to Copenhagen: What does citizen's engagement mean for climate protection as long as there is no global climate agreement?

In his last Column ("What needs to be done post Copenhagen? Is it now the citizens who are called on to stop climate change?") of January 25, 2010, the author, citing a recommendation of the German Federal Minister for the Environment, namely that, in the wake of the failure of the Copenhagen climate summit, it would be "no sacrifice (for citizens) to buy food produced regionally instead of food that needs to be transported over long distances," pointed out that regional products are not necessarily more climate-friendly than products imported from abroad. Scientific life-cycle assessments of all kinds of products show consistently that the greenhouse gases emitted when goods are transported account for only part of the total fossil energies, and therefore at the same time of the total greenhouse gas emissions, involved in the production of a given good. The author now poses the far more fundamental question whether efforts to save fossil energies in Germany and Europe may be assumed to have any impact whatever on world climate.

Bonn, 6 April 2010. A climate compatible with human life and endeavour is the most global public good imaginable. This is why it is so difficult to protect it. The provision and protection of public goods call for collective decisions and government enforcement of the measures required for the purpose. This is one of the foremost of a government's tasks. Now, there is no world government, and what this implies in effect is that no single government will see itself as responsible for the protection of global public goods. Another impediment that needs to be addressed to come up with an effective world climate policy must be seen in the fact pointed to, rightly, by the developing countries that, in the 200 years of their – fossil-energy-driven – industrialisation, the developed countries have been responsible for the lion's share of the greenhouse gases accumulated in the atmosphere today. This is the reason, they continue, why the industrialised countries need to bear the main burden of global climate policy, and all the more so as the level of economic and technological development the industrialised countries have reached makes it far more easy for them to do so than the emerging countries.

China, India, and the other emerging countries are intent on advancing their own economic development before they begin to assume the costs of an effective environmental protection. They are bound to build many more coal-fired power plants, and their middle classes, numbering hundreds of millions of people, have set out to emulate the lifestyles of the rich industrialised nations by eating more meat, driving their own cars, and flying around the world on vacation. Are we, in all seriousness, to try to tell the Chinese and the Indians that they had better take leave of their dreams in the name of climate protection, while, at the same time, more and more Germans and Americans are climbing into their four-wheel-drive SUVs to drive down to the neighbourhood shop to buy a loaf of bread – or, with the climate in mind, to drive out to the local farmer to buy regional products for their alleged climate-friendliness?

But even if we, in Germany and in Europe, left our cars at home as often as we possibly could, heated less in winter, did without air-conditioning in summer, and used nothing but energy-saving light bulbs, the hoped-for relief for the world's climate would still fail to materialise. The reason for this must be sought in the equilibrium of supply and demand in the world oil market (and, by inference, in the coal and gas markets). The effect of our reduced consumption would be to depress the price of fossil energies (or, accordingly, to decelerate the rise in price levels),



in this way permitting breathtakingly dynamic and energy-hungry emerging countries like China and India to satisfy their growing import hunger at constant costs, that is, in effect, to consume the fossil energies that we have saved.

After all, and there is no reason to make light of this, we, with our climate policy and the development of climate-friendly technologies it inevitably entails, are furnishing the developing countries with broader scopes for development based on fossil energies than we would be if we failed to save energy. True, in reducing merely our own – national or European – consumption of fossil energies, we would not (yet) be protecting the climate, but we would at least be contributing to a more equitable distribution of development chances between industrialised and developing countries, even encouraging with our “good example” – or so we may hope – the willingness of these countries, or at least of their internationally networked middle classes, to join us in adopting more and more environmentally- and climate-friendly practices as they forge ahead with their economic rise. If we create the technical wherewithal for the purpose, because our climate policy encourages the development of energy-saving technologies and renewable energies, then so much the better! Indeed, it is quite likely that far greater efforts will be needed in technology development if we are to meet the ambitious reduction targets set for greenhouse gas emissions by mid-century.

The uneasy sense we may have that we, with our national climate policies (no less than with the common European climate policy), are contributing virtually nothing to reducing global greenhouse gas emissions as long as other countries, not firmly committed to reduction targets, simply use up the oil we do not consume – that is an unpleasant fact of life that is often banished from the minds of German climate guardians. There is no other way to explain the fuss that Hans-Werner Sinn provoked with his so-called “green paradox.” Sinn, president of the Munich ifo Institute for Economic Research, had, in his 2007 Thünen Lecture, shown that our national climate policy is not only climate-neutral but that it, under certain circumstances, may even accelerate climate change. That would be the case if the “oil sheikhs” (his figure for all suppliers of fossil energies) came to recognize that our fossil energy savings were being emulated by more and more industrialised countries, and gradually followed by an increasing number of developing nations, leading to a long-term decline in oil prices despite energy needs on the rise worldwide. In this case the oil sheikhs would accelerate production to turn their oil into money before their subterranean “capital” were faced with the collapse of global prices that must inevitably ensue. This rationale, Sinn argues, would affect in particular the cliques ruling the politically insecure oil countries, which would have to face the possibility of being unable, in the wake of a coup, to go on profiting from future oil revenues. If, in other words, our climate policy were to spark a hectic supply reaction in a good number of countries, this would serve only to accelerate climate change.

The “green paradox” has prompted vehement critical responses. But all of the objections and critiques miss the key point that must, with or without Sinn’s “green paradox,” be inferred from the logic of global collective goods: A global public good, like, say, the atmosphere’s capacity to absorb greenhouse gases, will inevitably be overexploited if there are no effective institutional arrangements in place to bar free riders and to induce all countries to comply with agreed reduction targets. Reduced to the briefest possible formula: The oil (coal, gas) reserves that are still under the ground are bound, sooner or later, to be extracted and burned (down to a residual amount that would cost more energy to produce than could be gained from its use), as long,



that is, as there is no international agreement in place that functions along the lines of a global demand cartel, leaving the oil sheikhs no substitute markets to sell what oil they may have left. The only alternative would be for the international community to purchase all of the oil not yet extracted by the oil sheikhs, that is, to compensate the oil sheikhs for “services rendered for global climate protection,” although there would not likely be much political support for an additional income transfer (above and beyond a scarcity rent) for a set of oil sheikhs already spoiled by the random geological givens of our planet.

Nota bene: our concern here is not to point to the futility of national efforts geared to reducing greenhouse gas emissions in order to undercut the motivation to save energy and to make life easier for gas guzzlers and energy wasters in general. Scientific analyses have indicated for some time now that we may already have overstepped the Earth’s carrying capacity and that we, with our material economic growth, may be in the process of negligently reaching several tipping points of the global ecosystem (there are, alongside climate, several other, possibly unmanageable risks), with unforeseeable negative consequences for our world. However, it is essential not to delude ourselves about the effectiveness of environmental measures and to ensure that we do what is right and necessary, and do it as soon and as effectively as possible; that is, to conclude an effective international climate convention, to create the conditions needed for comprehensive energy savings and substitution of renewable for fossil energies, and to initiate, worldwide, the changes in human behaviour required to set the stage for efforts to reach, without undue delay, the reduction targets without which there can be no beneficial development of the world’s climate. If we are really intent on seeing the developing countries commit to binding and effective reduction targets in an international climate convention, we will need to demonstrate our will to do so by providing them access to climate-friendly technologies, both those already available here and those yet to be developed, and by facilitating, in the framework of development cooperation, their broad-based adoption and use in the developing world.

The present Column represents the author’s personal opinion and therefore does not necessarily reflect the views of either the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) or the Deutsches Institut für Entwicklungspolitik / German Development Institute (DIE).



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