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Climate change negotiation deadlocks and perspectives and the recent developments in the brazilian position

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Twelve countries (considering the European Union as a unit of 27) are responsible for over 80 per cent of the global emissions and make up the two crucial groups of the "great powers" and "powers" in climate policy. There are three "great powers" – the US, China and the EU – and they add up to 60 per cent of all global carbon emissions. No agreement is possible without the complete engagement of these three, who have veto powers over any or all parts of a new agreement. There are nine climate change policy "powers": India, Russia, Brazil, Indonesia, Japan, Mexico, Canada, South Africa and South Korea. None of these, even in pairs (or in groups of 3 or 4, unless the group is composed of India, Russia, Brazil and Japan) has the power of the veto on a new agreement, but the group as a whole is fundamentally important for a new agreement.

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Today, the main rift in the climate change realm is not amongst developed and developing countries, as it is downplayed by a large section of the media. In the beginning of 2010 the conservative circle was formed by the US, Canada, China, India, Russia, Indonesia and South Africa. The reformist camp is constituted by the EU, Japan, South Korea and Mexico. Brazil is situated in the middle ground, and today finds itself acting as a reformist form the point of view of emissions reduction targets but as a conservative regarding international negotiations, insofar as it maintains its alliance with China, India, South Africa and its association to the G77.[1]

The dramatic deepening of the North American financial crisis and its rapid transformation in the most profound global financial crisis in history has had several impacts on the perspectives of mitigation of climate change. The attention from the global public opinion and decision making elites in relation to the urgency and seriousness of climate change has not decreased, but the severity of the economic crisis – particularly in the US, EU and Japan – has created further obstacles for the negotiation of a new climate change treaty.

However, different from what most of international analysts had imagined in 2008, a substantial part of the economic growth packages begun in November 2008 in several key players meant to push the transition to a low carbon economy: 65% of the increase of expenses in South Korea, 35% in China, 20% in the United Kingdom, 20% in Germany and 15% in the US (Stern 2009-2). As for Brazil, South Africa, Indonesia and Russia, performance was poor in this area.

The central issue at stake in the international chessboard in 2009 in the Copenhagen perspective was the US and Japan's ability to take over ambitious emissions reduction targets for 2020 and persuade other high emissions countries – China, Brazil and India, mostly – to accept the establishing of different peaks of emissions and years of stabilization. As the second semester of 2009 got underway, it became clear that this setting would not materialize due to the inability of Obama's administration to substantially change its negotiating position due to internal opposition forces.

However, the year 2009 drastically changed the international political economy in relation to climate change. Kyoto's legacy, which left the US and the great emerging countries out of carbon constraints, disintegrated. The Copenhagen Accord is extremely feeble from a legal point of view but is almost universal from the perspective of constraining carbon emissions. It is practically impossible to make an advance in the direction of a new comprehensive treaty and legally binding before the US approves a climate legislation which imposes the reduction of emissions. Given the current political dynamics this is unlikely to happen in 2010.

From another perspective, there is an increase in the tensions between the US and China due to the latter's refusal to revalue the Yuan and other bilateral controversies. The issue of the revaluing of the Yuan could be generating an anti-Chinese coalition by the countries who seem themselves as 'taken over' by Chinese products due to the upkeep or increase in its exporting capability. Most of G20 countries are threatened by the Chinese exporting machinery. Brazil, as a large commodities exporter to China holds an intermediate position: its mining and food production sectors are favored by the Chinese dynamics and its manufacturing sector is thwarted.

1 G77 is a group of developing countries created in 1964 with the aim of coordinating the actions of developing countries in multilateral fora. Currently the group has over 130 members although it has kept the name.

The economic and security dimensions of the international system have a decisive impact on the climate dimension and it is necessary to take them into consideration as a priority in any realistic analysis about the future of climate change negotiations. The tensions between surplus and deficit countries in international trade, particularly in relation to China, can limit or even paralyze the advances in global economic governance in the G20 during 2010. The international system could be in the act of reversing the dynamics of depolarization which took place in 2008 and 2009. If dynamics of moderate conflict in the international system prevails in the next two or three years, this will be enough to hinder advances towards a new international climate change treaty, even if a new legislation is approved in 2011 or 2012, consistent with US policy.

In this context, the global transition to a low carbon economy will be very slow and one of its main international instruments will be the setting of trade barriers for high carbon products. In the cases of Russia and India, the great majority of the sectors would be at stake. As for China the picture would be more complex: due to the great advances in aeolic and solar energy the proportion of low-intensity carbon production (currently very low) would tend to increase rapidly for Chinese exports.

If a tendency towards cooperation and continuity of the depolarization in the international system prevails over the next two or three years, it is likely that the American position will change from a conservative great power to a reformist power. It is also probable that the alliance with the EU, Japan, Canada, South Korea, Brazil, Mexico and South Africa, the US is able to 'persuade' China, Russia and India and establish emission peaks and different years for stabilization – earlier than 2020 for China and Russia and between 2025 and 2030 for India.[2]

Corresponding to the international spehere, 2009 marks a crucial change in the history of climate change policy in Brazil. Government officials from the Amazon, led by the states of Amazonas and Mato Grosso and supported by the Office for Strategic Issues (Secretaria de Assuntos Estratégicos, SAE) mobilized consistently for Brazil to support the inclusion of the deforestation avoided by a new treaty, as a market mechanism and with developed countries having a right to offset. A fundamental part of entrepreneurs formed three coalitions demanding changes in the Brazilian position, two of these coalitions asked for a paradigmatic change in the Brazilian climate change policy.

The announcement of Marina Silva as a presidential candidate quickly promoted the problematic of the transition to a low carbon economy to the agenda of the electoral campaign of 2010. The National Congress approved a climate change law which makes advances in relation to the project sent by the Executive in 2008 as it partially internalizes the issue of climate change in the national legal structure and establishes 'voluntary' emissions reduction targets. The Ministry of the Environment has consistently raised its profile since August 2009. This represented a historical defeat of the Foreign Relations and Science and Technology Ministries – which defined Brazil's negotiating position up to this point – with the announcement of the change in the Brazilian position including significant quantitative targets of reduction of the expected emissions curve in 2020. This is a development which few analysts considered possible in June 2009.

There are still many doubts over the future implementation of the commitment to reductions in Brazil, but a new legislation and the targets taken on by the country in the Annex to the Copenhagen Accord are fundamental steps toward the future path of its foreign, economic, energy, agricultural, forestry, and climate change policies. A new and significant question is for how long Brazil will keep a discrepancy between its climate change policy with emissions reduction targets and its negotiation position which keeps it linked to China and India, who have much more conservative climate change policies. Due to the interests and power relating to several Brazilian economic sectors and to the dynamics of public opinion it is likely that this discrepancy will not hold for long and that the Brazilian negotiating position will come to converge with those of the EU, Japan and South Korea.

2 The Russian *per capita* emissions are almost twice the amount of the Chinese and 8 times the Indian emissions. Chinese emissions are five times greater than the Indian.