

## Global Commons Institute

### **Contraction and Convergence - A view of Michael Grubb's "The Kyoto Protocol - a Guide and an Assessment"**

Although global climate change raises dreadful problems that the Kyoto Protocol does little to address, Michael Grubb's book hails it as a *"remarkable achievement"*. This should be taken with a pinch of salt. If you asked people from the Maldives what they felt about the Protocol, they'd probably say, frightened about their lack of a future.

They know that accumulating greenhouse gas emissions warm the planet and expand the oceans and obliterate them, and God knows whom and what else. Their fears have a message for us all: - this problem is global and needs a global solution. *"Equity and survival"* sums it up. Everyone has to be in as no one is saved until everyone is saved.

Grubb's book gives in some detail the history of these negotiations for the development of the United Nations Framework Convention on Climate Change (UNFCCC) over the last ten years. It summarises the science and describes the shaping of the Kyoto Protocol and in particular how the 'sub-global', or developed country only, 'commitments' (such as they are) to limit and reduce greenhouse gas emissions (ghg) were arrived at. It also analyses in detail the Protocol's so-called market or 'flexible mechanisms', namely 'emissions-trading' and the Clean Development Mechanism (CDM), giving much critical attention to the conceptual weakness of the latter.

Grubb's story of the inadequate and permissive Protocol fails to sufficiently emphasize the following. Contraction of ghg emissions to an overall output level 60 to 80% less than output in 1990 by some agreed date, *simply stabilises their atmospheric concentration at some new and unprecedentedly high value*. Not for the last half a million years have ghg concentrations in the atmosphere risen so far and so fast. On that time scale industrialisation has already added one trillion tonnes of CO<sub>2</sub> to the atmosphere 'overnight', and Kyoto is offered in the context of a political economy which apparently foresees this being doubled and even trebled!

It is impossible to over-stress the need to rise to this precautionary challenge and the need for ghg emissions contraction. Rising global temperature is a function of rising emissions and will continue for some time even assuming concentrations are stabilised. In other words the possibility of dangerous, even disastrous, global climate change is increasing from here on proportional to delay in achieving full contraction.

So however much we are invited to view the Kyoto Protocol as a *"remarkable achievement"*, its sub-global emission reduction targets are in the overall context of a continuing rise in global emissions, never mind concentrations. Moreover, the battle to interpret the 'flexible mechanisms' actually foresees that the developed country reductions may largely be achieved on paper rather than in situ. So even in quantitative terms, the Protocol may yet enshrine in international law, policies and measures that will legalise: -

1. a continuing uncontrolled rise in ghg emissions
2. an increase in damage from climate changes,
3. inequitable global ownership patterns in the use of the global public good
4. an unresolved political quarrel that may easily result in the whole debate being switched from mitigation to adaptation to rising adversity, in effect making the problem insoluble.

With an eye on the last point and the future and long-term development of the process, Grubb after ten years, now openly advocates in some detail the global solution for emissions management known as *"Contraction and Convergence"*.

He describes it as, *"the most politically prominent contender for any specific global formula for long-term allocations with increasing numbers of adherents in both developed and developing countries,"* saying that it, *"emerged from the academic debate"*. (p 270)

The point about its prominence is true. The point about its provenance is nonsense. It is the approach that the Global Commons Institute (GCI) modeled, developed and also

campaigned for since the climate negotiation began in 1990, in spite of indifference, incompetence and stonewalling from 'experts' within academia. In fact, until last minute legal pressure was put by GCI on Grubb and the Institutions involved in the publication of his book, he and his colleagues laughably declined to acknowledge any role for GCI in both the authorship and ten year advocacy of **"Contraction and Convergence"** at all.

The idea of **"Contraction and Convergence"** is simple. It puts 'equity' at the centre of the debate and suggests how the global solution can be organised on that basis. It constitutes an attempt to cut through the endless expert quarrels that have been largely just a smokescreen for deliberate international filibustering, grievances and specious 'economic efficiency' arguments. It is in effect a right-based constitution, which observes the United Nations Framework Convention on Climate Change (UNFCCC). **"Contraction and Convergence"** in essence proposes: -

1. a precautionary limit to greenhouse gas accumulation in the global atmosphere by definition gives rise to a global **contraction** budget of future fossil fuel emissions, and
2. an international distribution of this budget based on a deliberate **convergence** to per capita equality of shares globally by an agreed date with pro rata reductions thereafter, resulting in what are only then
3. an allocation of internationally tradable permits.

Grubb says privately that he proposed this scheme in 1989. However he avoids saying that in his book and so avoids having to explain why for the last decade he gave up on it. In now taking a position in favour of **"Contraction and Convergence"**, he actually (as well as by definition) and correctly acknowledges the inherent structural weakness of the Kyoto Protocol itself. Indeed, the combination of all the arguments his book now brings together, expose its quantitative inadequacy. Perhaps more seriously it exposes the very problematical contradictions which should it be ratified, the Protocol will embed in the fragile international efforts to develop the UNFCCC for the long term. The truth is that while principles without practice are useless practice without principles is dangerous. Authors and advocates of the Protocol have yet to face its failure to resolve this.

Grubb has failed to sustain an analysis of the **"equity-and-survival"** tension at the heart of these negotiations. Common sense in a nutshell says, **"if saving the planet depends on clarifying who it belongs to, it obviously prudent to assume that it belongs to all in equal measure."** This is 'rights-by-people' or equity. It takes precedence over the status quo of efficiency or 'rights-by-income'.

Indeed this equity formulation is positive and inclusive and has been at the heart of GCI's case from the outset. The efficiency formulation, asserted by experts on behalf of vested interests, fails simply because no matter how efficient you are, it is obviously impossible to build a global consensus for survival on the idea of "unequal rights". Indeed it was this idea that led directly to the economics fiasco concerning the 'unequal valuation of life' which Grubb refers to as **"the most unpleasant controversy"** (p 20) linking GCI to this (p 306).

It is true that between 1993 and 1995, economists assessed the damage costs of climate change for the Intergovernmental Panel on Climate change (IPCC) as part of an attempt to steer global policy with the rudder of 'efficiency' and cost-benefit analysis.

They attempted to establish the now notorious and discredited idea that the value of future mortality from climate change was proportional to the incomes of the victims involved. It is quite true that GCI ran a successful campaign against the idea, citing as absurd that, **"fifteen dead Chinamen equaled one dead Englishman."** It is true that this resulted in the economic method and the results of its use being formally rejected within the IPCC. Grubb links us to the Indian Government's letter (which he quotes at length p 306) to all countries' delegations at the First Conference of the Parties (COP1) in Berlin in 1995 rejecting this economic methodology, understandably ignorant of the fact that we wrote the letter.

But since Grubb was prepared to link us to this unpleasantness, why does his book completely ignore that the Indian Government formally advocated **"Contraction and Convergence"** at the ministerial section of COP1. Could it have been because he **did** know that GCI wrote the relevant section of the Minister's speech with all that implies?

*"We face the actuality of scarce resources and the increasing potential for conflict with each other over these scarce resources. The social, financial and ecological inter-relationships of equity should guide the route to global ecological recovery. Policy Instruments such as "Tradable Emissions Quotas", "Carbon Taxes" and "Joint Implementation" may well serve to make matters worse unless they are properly referenced to targets and time-tables for equitable emissions reductions overall. This means devising and implementing a programme for convergence at equitable and sustainable per values for consumption on a per capita basis globally."*

This was a clear response to the US and others who were insisting that the *"global problem of climate change required a global solution"*. 'Global solution' was always the barely coded US language for *"no-solutions without developing countries"*. India responded with this *global* argument, with the consent of the G-77, at a key moment of setting up the so-called *"Berlin Mandate"*, the process that was to lead over three years to the Kyoto Protocol.

In Grubb's account this is ignored. And it is all the more extraordinary as this section of the Indian Government's intervention at COP1 is a direct quote from a document prepared by GCI at the request of the IPCC for the 'Equity' section of their Second Assessment Report (SAR). The equity section chairman and lead author was Michael Grubb himself. It was his job to know about that text, its provenance, its significance in the argument and the significance of it being led in that way at that moment by that party.

This behaviour has been part of a pattern over the last ten years from the expert peer group where they have nested safely inside the status quo sustaining silly arguments. Grubb had already rejected association with the campaign for *"Contraction and Convergence"* when GCI launched it in 1990. I asked him for support shortly after he joined the Energy and Environment programme at Chatham House or the Royal Institute of International Affairs (RIIA). He refused outright. Since then little has changed except that the growing international support for GCI's campaign made it progressively harder for the experts to ignore it.

Or so you would have thought. But consider Gubb's account of the row in Kyoto at 3.00 a.m. in the morning. This was the moment that led to what is now Article 17 of the Protocol, the article intended to enable international emissions trading to occur. For not the first time in the last decade developing countries asserted equal rights as the basis of the global solution, particularly as emissions trading is contingent on global property rights being established. Chairman Estrada (Argentina) abruptly suspended the negotiations saying the whole thing was going to be lost.

Until that moment, the developing countries had remained united in opposition to so-called 'voluntary commitments' being demanded of them particularly by the USA, but almost completely united for the proposition of global equity regarding the creation of these property rights. Led by China, India and the Africa Group of Nations, they specifically demanded equitable international allocations based on per capita equality and the principles of *"Contraction and Convergence"* if international 'emissions trading' was to be agreed. This was as dramatic as it was unforeseen especially as the acting head of the US delegation (Jonathon Pershing) responded by asking was this really the moment to introduce *"Contraction and Convergence"*. For any advocate of the approach, it was high drama. Not only was it obviously developing countries saying that the responsibilities they were being pressured to take for climate change had to be based on equal rights, again major players within the G-77 group were advocating that in principle *"Contraction and Convergence"* was the vehicle through which to negotiate this.

It is extraordinary that these specifics and the events that led to them are as good as omitted from Grubb's history, especially given his after-the-fact advocacy of the *"Contraction and Convergence"* approach now. He prefers to cite the *"comical touch"* about the OECD officials who were trying desperately at the last moment to contact the Indian Prime Minister to ask him to instruct his negotiators to give way. Grubb apparently just didn't know what was going on. Dr Soz Indian Environment Minister had explicitly told his negotiators to keep fighting for *"Contraction and Convergence"* and that is exactly what they, the Chinese and the Africa Group did. If all this was lost on Grubb and the OECD, it wasn't lost on US. During the hiatus one of their diplomats lurched at me across the lobby

and in front hundreds of witnesses spat, *"if this whole thing f . . . s up now, its all your f . . . ing fault."* I told him to get a rabbit's leg. Chairman Estrada's dilemma was acute. He had been on the record six months before Kyoto saying, *"in these negotiations you make up the principles afterwards to explain what happened in practice."*

Once again these explosive exchanges summed up the entire struggle for global equity. But when Grubb deals with this and at length (pp. 94 -96) he fumbles and omits to record that it was another on the record struggle to establish **"Contraction and Convergence"** as the global solution.

The residue of this battle is phrased in Article 17 as follows: -

***"The Conference of the Parties (COP) shall define the relevant principles, modalities, rules and guidelines, in particular for verification, reporting and accountability for emissions trading."***

In calling for principles and rules governing the trade, it is obvious these will have to precede the trade just as principle precedes practice in the UNFCCC itself. Grubb draws attention to this but only post facto, as affirmed by the entire Non Aligned Movement of countries (most of the countries of the Developing World) at their heads of government conference in Durban South Africa a year later in August 1998.

***"Emission trading for implementation of (ghg reduction/limitation) commitments can only commence after issues relating to the principles, modalities, etc of such trading, including the initial allocations of emissions entitlements on an equitable basis to all countries has been agreed upon by the Parties to the UNFCCC."***

The real question has always been what are the global principles for distribution that achieve a precautionary, orderly, timely and inclusive international retreat from fossil fuel dependency? It is the question that has dominated these international negotiations since the outset. It is not going to go away.

The UNFCCC exists to arrest the rising damage costs from climate change by globally contracting the human ghg emissions that are driving this change. Consequently, if inter and intra national emissions trading is now advocated so as to minimize the global cost of this contraction, this question of global property rights arises unavoidably and has to be answered. In other words, as we can't trade what we don't own, ownership has to be established to avoid the theft that trade would otherwise represent. Obviously no party or set of parties can effectively self allocate sub-global property rights in the increasingly scarce and fragile public good of the global atmosphere and climate system without the consent of all the parties if it is to be considered legal. So, as things stand, an unprincipled thrust for a sub-global (developed country-only) scheme of proprietary rights is being asserted over these global public goods by developed countries explicitly without the consent of developing countries and global civil society. This has been the thrust of the US agenda all along. And in practice now the application of Article 17 is effectively now being used to 'freeze' inequitable property rights into a global trade arrangement which is efficient in name only, using an unprincipled - indeed chaotic - arrangement of climate accounting. This is a major reason why the Kyoto Protocol bodes growing pain for future global negotiations.

Grubb is right to recognise that **"Contraction and Convergence"** is the only rational and principled way out of this mess. In fact there is nothing remarkable about this. The UNFCCC itself is by definition the **"United Nations Framework Convention for Contraction and Convergence"** and has been all along (see below). Grubb's omissions, as much as what he puts in, reveal how academics in general (particularly Northern economists) were self-serving the negotiating process with piecemeal and the sometimes daftly incompetent advice that resulted from a confused and selfish reading of the global problem and giving rise to diplomatic furore. The obvious point has always been that a global problem requires a global solution and that such a solution will be **constitutional** by definition. In other words it will be based on a globally integrated and sequenced pattern of precaution, equity and logic, for fear of major adversity without it.

Already by 1992, the UNFCCC text essayed a global solution in these terms. It clearly recognised that while principles without practice are useless, practice without principles is

dangerous. Its essence is that the global objective should be achieved through efficient practice ordered by the principles of precaution and equity.

1. Purpose - (AVOID ADVERSITY),

*"(Parties) acknowledge that change in the Earth's climate and its adverse effects are a common concern of humankind." They are, "concerned that human activities have been substantially increasing the atmospheric concentrations of greenhouse gases, that these increases enhance the natural greenhouse effect, and that this will result on average in an additional warming of the Earth's surface and atmosphere and may adversely affect natural ecosystems and humankind."* (Preamble).

2. Objective - (GHG CONTRACTION): -

*". . . to achieve, in accordance with the relevant provisions of the Convention, stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."* (Article 2)

3. Equity Principle - (CONVERGENCE - ALLOCATION): -

*"(Parties) should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity." (Article 3.1)* noting that, *"the largest share of historical and current global emissions of greenhouse gases has originated in developed countries and that per capita emissions in developing countries are still relatively low"* (Preamble) and, *"that in accordance with their common but differentiated responsibilities and respective capabilities the developed country Parties must take the lead in combating climate change and the adverse effects thereof"* (Article 3.1), while, *"the share of global emissions originating in developing countries will grow to meet their social and development needs,"* (Article 3.3).

4. Precautionary Principle,

*"(Parties) should take precautionary measures to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects. Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing such measures . . . ." (Article 3.3) . . .*

5. Efficiency practice - (GLOBAL EMISSIONS TRADE): -

*". . . taking into account that policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at lowest possible cost."* (Article 3.3)

So formal **"Contraction Convergence Allocation and Trade"** simply integrates the contents of Articles 2 and 3 of the Convention in a constitution of limits, equity and logic.

It seeks to redress the endemic problem of disaggregated thinking among the 'environmentalist' (or 'green'), the 'capitalist' (or 'blue') and the 'communalist' (or red) cultures in this debate and in the Protocol. It resolves the contradictions embedded in the UNFCCC's key concept - 'equity' -between financial equity social equity and environmental equity. These contradictions have served relentlessly to frustrate the efforts for consensus because shared language with no shared meaning is obviously worse than useless. Convergence accepts that while you start with emissions shares or rights being proportional to income you deliberately converge to a point where these shares or rights are proportional to people within the 100% 'collateral' or equity of the global contraction budget that stabilises the atmosphere and prevents dangerous climate change.

An effective and rational process will integrate meaning from these green, blue and red strains of thinking. Drawing together ideological segregation with simply logical integration as follows is the way ahead.

- 'Green-equity' is 'natural capital' or 100% collateral of the planet and its systems, on which everything else depends, speaking correctly in defence of which are 'conservationists' and 'environmentalists', who so far remain

defeated by the unresolved contradiction between the blue and the red equity.

- 'Blue-equity' is 'financial capital' associated with existing patterns of ownership, production and consumption, speaking in defence of which are 'efficiency-minded' lobbies from business and industry and the status quo in general who perhaps resist red equity more than the loss of the green equity.
- 'Red-equity' is 'social human indeed constitutional capital' of equal rights, now obviously dangerously disadvantaged by the polarised distribution of the purchasing power associated with the blue equity. Speaking against the injustice of this are the left and many religious and development groups, now linking red equity more and more to green equity.

So as to go beyond the sterile adversarial impasse of shared language with no shared meaning these must be integrated. But in the last ten years, the experts avoided this integration. In now advocating "**Contraction and Convergence**" Grubb recognises this, and that it supersedes illogical sub-global thinking. So his book should be welcomed as it helps us all to go towards this constitutional solution.

However, his advocacy of "**Contraction and Convergence**" is dimmed by two influences. One is the United States and the corporate sector and the other is his perception that the power is more in these than it is in the logic of "**Contraction and Convergence**".

With regard to the corporations he assumes that it is they who receive the tradable allocations that arise from "**Contraction and Convergence**", and we do not assume this. Convergence within countries is the logical derivative of convergence between countries and there is much literature about this that Grubb ignores. Nor is it logical to cite as criticism that it will make wealthy Indians wealthier (p 271) while assuming that the corporations get the tradable allocations.

The more serious criticism is this. When he decided to attribute to GCI and the parliamentarians of GLOBE International (p 270) the conception and advocacy of "**Contraction and Convergence**", he by definition linked us with his own. While we were not against the fact that he had taken up the cause, we were not happy about being linked to the Chatham House political version of the argument as well. I specifically asked Grubb not to link us with his assertion that the distribution problem is long term and that therefore the convergence solution is long term. The position taken repeatedly and prominently by GCI and GLOBE has been that distribution is a problem per se. Consequently, GCI's "Contraction and Convergence Options" model had been designed and propagated to show within reason what all the mathematically available options are. In the case of possible rates of contraction, these are budgets giving all outcomes for atmospheric ghg concentration anywhere from below today's level to well over four times that amount within one or two hundred years. In the model an approximation of temperature rise is plotted for any result as well. No GCI preference is attached to any particular use of the model itself, even though we hold separately stated views about safety and precaution. In the case of the possible rates of convergence, these can be anything from immediate convergence to long-range (100 years) convergence. We also consider that theoretically all convergence options are equally feasible and valid. All the international allocations that result from "**Contraction and Convergence**" are considered to be 100% tradable giving the identical results in terms of maximising global efficiency, so it really doesn't matter where the emissions occur, as long as they are in the agreed contraction profile.

As Grubb recognises, once negotiated, the tradable ghg allocations that result from "**Contraction and Convergence**" represent a financial asset. Consequently, the rate of convergence negotiated under an agreed contraction profile will determine a distribution of these. Here again, no GCI or GLOBE preference has been asserted with regard the rate of convergence. We simply assume that if the solution to achieving an international contraction and convergence is formally based on "Contraction and Convergence", the rate of convergence will reflect the compromise between the Industrialising Countries who will for obvious reasons want it to be rapid and the Industrialised Countries who will not. Insisting on his independence, he declined to alter the Chatham House preference for 'long-term'

convergence saying in separate letter to GCI that rapid convergence would be laughed out of the USA. In response to this I requested permission to make known GCI's views about this issue at the international conference organised by Chatham House around the launch of his book. This request was refused. Had it not, I would have said what follows. It is central to the impartial advocacy of "Contraction and Convergence".

The role of independent experts is to show all the negotiators what all their collective options are especially if this means exposing the gap between what is logically correct and what is perceived to be politically correct. The task is to uphold logic in the face of powerful interests.

GCI has made this effort for better or worse for the last ten years. The results have been bruising but never been less than interesting. Where Grubb links GCI to the **"most unpleasant controversy"**, he actually misses the point. The UK economist David Pearce, had sought unsuccessfully to maintain that it was **"scientifically correct"** to equate 15 dead Chinamen to one dead Englishman, saying it was merely **"politically correct"** not to. GCI took the view that it while it was neither scientifically or politically correct to do this, it just wasn't logical. Now likewise Grubb's view of convergence is political but also illogical when he says that **"Contraction and Convergence"** must be sold in the configuration least likely to offend the USA. This is not to deny Chatham House the right to have this political sensitivity most on their minds. But it is not reasonable to falsely create an impression that GCI and GLOBE are somehow linked to their political views. Politically it will obviously have precisely the opposite effect in China. Indeed, Chinese officials have privately supported **"Contraction and Convergence"** recognising that short-term convergence is also a case that can be logically argued within the total structure.

Consequently they are hardly going to lie back and accept prescriptions from Chatham House. Moreover, they also point out that when officials from the OECD propose convergence criteria, these officials do not propose the principles and the logic of **"Contraction and Convergence"**. They propose their politics through efficiency indicators as the appropriate convergence criteria knowing full well that these are little more than propaganda. Grubb willfully states the untruth that, **"the economies of developing countries are inevitably less efficient in terms of carbon unit per unit of GDP than most OECD economies"** (p 108). Developing country negotiators know and indeed Grubb himself knows that the opposite is true. He was at the centre of another row when we fought this whole issue out during preparation of the IPCC SAR. Even the Pew Centre whose report **"Equity and Global Climate Change"** Grubb references (p 268), now accepts this as true in this very report. Why doesn't Grubb limit himself to providing logical analysis and accurate comment and data and distinguish between these and his political views instead of trying to actually negotiate? Negotiators are there to take the political strain.

Moreover, the US position demanding 'a global solution to a global problem' was clearly defined in Byrd-Hagel resolution, in terms that had finally accepted the logic of **"Contraction and Convergence"**. This resolution finally accepted 'differentiation' in defining international commitments for the control of ghg emissions. It called for a global solution as the aggregate of 'limitations' (controlled positive growth of emission) plus 'reductions' (controlled negative growth of emission). The point here is simply that if the US Senate were asked how to achieve this in practice, the only conceivable option would be to negotiate formal **"Contraction and Convergence"**. All other options such as the Brazilian Proposal are being tried and remain somewhere between chaos and chaos-in-waiting because of un-resolvable complexity. The same answer applies to the statement in favour of equitable allowances to all countries before emissions-trading commences, made by the Non-Aligned Movement of countries (NAM) at the Heads of Government meeting in South Africa last year. The same answer applies to Article 17 of the Protocol. All this is why the resolutions in favour of **"Contraction and Convergence"** passed in the European Parliament are so specific. Why did he ignore the resolutions? They inform the attitude of the European Commissions and the Union. And while Grubb ignores these, he does mention but quite obliquely (p 95) that the Africa Group of nations (15) formally proposed, **"Contraction and Convergence"** to the negotiations back in August 1997, in response to the Byrd-Hagel Resolution. Why did he omit to report on the Indian Government doing the same back at the UN climate negotiations at COP1 in March 1995? Indeed why did the academics in

general ignore the GCI campaign? Why did they all ignore the GLOBE International **parliamentarians'** network advocacy of this? Why especially - if the idea is now so 'prominent' - did the 'independent' experts from the academic community just refuse to engage with this for ten years? It hardly squares with Grubb's claim that the idea, "**emerged from the academic debate**" (p 270). Just as logical thinking should precede political correctness, historians should concentrate on factual correctness.

The way ahead is this. There is a problem. There is a cause for the problem. The problem can be overcome. There is a way to overcome the problem. It is in seeing that there is nothing (including political 'opinion', expert or otherwise) in the way of the simple rights-based logic of equity and survival - it says 'no-one is saved until everyone is saved'. Otherwise it is the Maldives' worst nightmare - if they have no future, there probably isn't one.

Aubrey Meyer