

## **The Crisis of Environmental Multilateralism: A Liberal Response**

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### **Introduction: the liberal tradition and global environmentalism**

It is now widely recognised that environmental destruction does not stop at national borders. To be successful, environmental protection needs a strong international dimension. Like many other environmentalists, liberals have therefore advocated the creation of international environmental institutions, the negotiation of multilateral environmental agreements, the strengthening of international environmental law and the greening of other international policy areas such as international trade and finance. Environmental multilateralism has become a hallmark of liberal foreign policy around the world.

Despite the dramatic rise of international environmental policy-making, recent developments suggest that environmental multilateralism is entering a period of crisis. As the latest *Global Environment Outlook* report of the UN Environment Programme (UNEP) reveals, multilateral environmental policy has failed to reverse, or even slow down, some of the most threatening environmental trends, such as global warming and biodiversity loss.

Environmental campaigners and diplomats may have succeeded in establishing the environment on the international agenda and negotiating a plethora of environmental treaties, but whether international instruments make a difference on the ground remains far from clear. Moreover, the process of international environmental policy-making has slowed down in recent years. Environmental multilateralism itself is being held back by global power struggles and a general sense of treaty fatigue. A loss of political momentum has been evident for some time in the climate change negotiations, which have failed to deliver a new treaty that could succeed the Kyoto Protocol. This was again noticeable at the 'Rio+20' UN summit of 2012, which fell well below the aspirations and achievements of the original Rio 'Earth Summit' of 1992.

How should liberals respond to the looming crisis in environmental multilateralism, and is there a distinctive liberal approach to alleviating the political gridlock in international environmental politics?

Internationalism plays an important role in liberal thinking and foreign policy, and the crisis in environmental multilateralism therefore poses a particular challenge for liberal environmentalism. The same cannot necessarily be said about other strands of environmentalism. Conservative environmentalists, on the whole, tend to prioritise local and national approaches over international ones. In *Green Philosophy: How to Think Seriously about the Planet* (2012), for example, the conservative thinker Roger Scruton downplays the cosmopolitan environmental responsibility espoused by the modern environmental movement ('think globally, act locally') in favour of a national sense of belonging and stewardship ('feel locally, think nationally'), which he sees as the true source of conservative environmentalism. Global solutions to environmental problems are most likely to arise from decentralised, bottom-up, efforts of local and national communities, while international treaty-based approaches such as the Kyoto Protocol are dismissed as unenforceable and ineffective distractions. In this perspective, the crisis of environmental multilateralism only serves to confirm the conservative predilection for a localist and nationalist agenda.

Socialist and radical environmentalists, too, may see their core beliefs vindicated by the crisis of environmental multilateralism. Although sharing an internationalist outlook with liberals, socialists and radical greens tend to harbour greater scepticism towards the established international processes of environmental negotiation and governance. In their view, global environmental problems are a manifestation of a deeper crisis in global capitalism, and international diplomacy is severely limited in its ability to correct the underlying causes of global environmental destruction. As George Monbiot argued in a critique of the 'Rio+20' summit, the ecological crisis cannot be addressed by governments that represent the interests of the rich: 'It is the system that needs to be challenged, not the individual decisions it makes' (*The Guardian*, 19 June 2012).

How can liberals respond to this crisis in international policy-making? Before I outline an answer to this question, we need briefly to take stock of recent international environmental politics and identify the main shortcomings of global green diplomacy.

## **Challenges to environmental multilateralism**

That environmental multilateralism is said to be in crisis may seem surprising to some. After all, the rise of global green diplomacy in the last four decades has been a resounding success. Several international institutions dedicated to environmental protection have been created – from UNEP to the Global Environment Facility and the Green Climate Fund – and hundreds of environmental treaties have been negotiated on a wide range of transboundary or global environmental threats, from species extinction to air pollution, ozone layer depletion, biodiversity loss and climate change. Today, the vast majority of global environmental concerns are being addressed through one form of international instrument or the other, and there is hardly a day that passes in the diplomatic calendar without some gathering of environmental experts and negotiators on the international stage.

Yet, the latest surveys of the state of the global environment offer a more sobering account of environmental diplomacy. Global warming continues unabated, more than two million people die prematurely every year due to outdoor and indoor air pollution, the per capita availability of freshwater is declining, and rampant species extinction is undermining global biodiversity. There are also notable gaps in the international environmental agenda. The international community has failed to agree any meaningful international action against the loss of tropical forests, for example, and international organizations are slow to deal with emerging environmental and health risks arising from new technologies such as nanotechnology and synthetic biology.

There has also been a notable decline in the pace and ambition of international treaty-making. During the heyday of environmental diplomacy in the 1980s and 1990s, a series of international negotiation rounds produced important environmental treaties, from the 1985 Vienna Convention on ozone layer depletion to its 1987 Montreal Protocol, from the 1992 UN Framework Convention on Climate Change (UNFCCC) to its 1997 Kyoto Protocol, and from the 1992 Convention on Biological Diversity to its 2000 Cartagena Protocol on Biosafety. Since the late 1990s, however, a growing sense of treaty fatigue has set in. The failure to negotiate a successor agreement to the Kyoto Protocol is but the most high-profile example of the growing institutional sclerosis in international environmental politics. At the World Summit on Sustainable Development in Johannesburg in 2002 and again at the 'Rio+20' summit in 2012, the international community was unable to agree specific and ambitious commitments. Instead, world leaders chose lofty promises and flowery rhetoric to cover up the crisis that has afflicted environmental multilateralism.

One of the key stumbling blocks in environmental diplomacy is the reluctance of some global powers to sign on to new international environmental commitments. This has been the case with the United States at least since the early 1990s, when it abandoned its erstwhile environmental leadership role. It has failed to ratify most recently agreed international environmental treaties, from the Basel Convention on Hazardous Waste to the Convention on Biological Diversity and its Cartagena Protocol, the Kyoto Protocol and the Stockholm Convention on Persistent Organic Pollutants. The global power shift to the emerging economies has further complicated the search for international diplomatic solutions. Countries such as China and India, but also Brazil and South Africa, are now playing a more assertive role in international negotiations and are equally reluctant to sign on to binding international commitments, whether on climate change mitigation or in other areas. The emergence of a more diverse set of national interests has increased the number of veto players in international negotiations. It has challenged traditional notions of what environmental leadership by the EU and other progressive countries can achieve.

The search for global environmental solutions is also hampered by the inadequacy of the international institutional architecture. UNEP, which was founded four decades ago as the core environmental institution, has remained the poor cousin in the family of UN institutions. Unlike the World Health Organisation (WHO) and the Food and Agriculture Organisation (FAO), it does not have the status nor the resources of a UN specialised agency. Its funding base has fluctuated in the past and remains relatively modest, amounting to not more than \$220 million per year, and its location in Nairobi has meant that it operates far away from the main UN centres in New York and Geneva.

Moreover, the international treaty system for environmental protection has come under attack from other institutions of global governance. As more and more environmental treaties have begun to regulate environmentally damaging forms of international trade, the World Trade Organisation (WTO) has sought to rein in regulatory interference with the trading system. On a number of occasions, the WTO dispute settlement mechanism has ruled against environmentally motivated trade measures, and many environmentalists now fear that the liberal principles of the international trading order threaten the implementation of existing environmental agreements. Even if the WTO has come to accept the legitimacy of some forms of international environmental regulation, particularly if they are non-discriminatory and based on multilateral consensus, some fear a chilling effect for future international policy-making from the threat of legal challenges at the WTO. The hostile

international response to the planned inclusion of all domestic and foreign airlines in the EU's emissions trading system is but the last in a long string of such high-profile trade-and-environment conflicts that may have a dampening effect on future environmental accords.

It is no wonder, then, that business self-regulation and multi-stakeholder initiatives have gained in popularity in recent years. One of the rare achievements of the 2002 World Summit on Sustainable Development was the launch of over 130 public-private partnerships, which are meant to provide policy direction, financing, information services and even regulatory standards in areas from sustainable forestry to fishing, clean water provision and food security. Environmental campaigners and governments have encouraged such private governance initiatives, as a way both to engage those actors that possess problem-solving capacity and to fill regulatory gaps left by the gridlocked multilateral system. Such activities may not amount to a full-scale privatisation of global environmental governance, as some critics claim, but they underline the growing difficulty of advancing the global environmental agenda through traditional multilateral means.

### **A liberal response: renewing, reforming and expanding environmental multilateralism**

How should liberals deal with these challenges? A liberal response needs to identify opportunities for a renewal of global environmental policy while being realistic about the constraints that the international system imposes. The response should include three elements: renewing global environmental leadership; reforming the processes and institutions of environmental multilateralism; and engaging a wider range of actors in global environmental governance.

#### *Renewing global environmental leadership*

Retreating from international politics cannot be the answer to the complexities and frustrations of environmental multilateralism. Undoubtedly, global environmental leadership needs to have roots in domestic politics, but local and national efforts risk being environmentally ineffective and deepening political fragmentation if they are not embedded in a framework for global cooperation. The crisis of environmental multilateralism calls for a renewal of environmental leadership and a reassertion of liberal internationalism. On climate change as much as on other environmental threats, international diplomacy needs to continue to seek internationally negotiated solutions.

Keeping multilateral processes on track requires political leadership but will not be easy. If there is going to be any progress, it is bound to be slow – frustratingly slow. The structural barriers to ambitious environmental policies are too entrenched, and the mechanisms of diplomacy too cumbersome, to achieve decisive international breakthroughs. Liberal internationalism thus needs to combine persistence with patience. Even more so than at the national level, politics at the international level is, in Max Weber's words, 'a strong and slow boring of hard boards, requiring passion and perspective'. But without some nations willing to show global leadership, international processes end up lowering rather than raising levels of ambition.

For the last two decades, the European Union has provided such leadership on a number of fronts. Without the EU's commitment to ambitious international agreements, the Kyoto Protocol and its instruments such as emissions trading and the Clean Development Mechanism would not have come into force. And European persistence played a critical role in securing international agreement on other environmental treaties, despite America's retreat from environmental multilateralism.

Whether European leadership will suffice to bring the newly emerging powers of the developing world into the multilateral fold is another question. Recent experiences in the climate negotiations have brought to light some of Europe's limitations in this regard. But the EU continues to command respect for its domestic environmental policies and serves as a model for innovative regulatory approaches. Its economic might as the world's largest market gives it added clout in environmental politics, and the EU's trading partners often find it difficult to ignore Europe's regulatory standards. This alone will ensure that the EU will be in a privileged position to shape the international environmental agenda and set high levels of ambition. Other established or emerging powers may not always wish to follow European leadership, but without the EU setting the pace in international environmental regulation, even less would be achieved multilaterally.

To succeed internationally, European environmental leadership requires a strong domestic basis. The UK has been an important driving force behind the EU's green diplomacy for some time now and must continue to do so. On its own, the UK's voice would carry far less weight internationally. When it comes to environmental multilateralism, the EU is undoubtedly more than the sum of its parts. Working with EU institutions and other European countries is an essential component of Britain's green diplomacy. But to be respected and influential in Europe, the UK must not fall behind its current environmental achievements. It has played a pioneering role in developing new mechanisms for climate mitigation and adaptation, from carbon trading to corporate carbon disclosure and greening international development aid,

and the Stern Review of climate change economics has changed the way the world thinks about the costs and benefits of climate action. These achievements have boosted the UK's position within the EU and internationally. Britain needs to continue to drive European environment policy in this way if it is to lead the renewal of environmental multilateralism.

#### *Reforming international processes and institutions*

At the same time, the established processes and institutions of environmental multilateralism need to be reformed if they are to remain relevant to the search for global environmental solutions. As regards the international process, UN-style negotiations have been the norm since the 1970s and remain an important route to inclusive, consensus-based, environmental agreements. They command a high degree of legitimacy, particularly in the developing world, and have helped to create a gradually expanding system of legal commitments and governance mechanisms. But the principle of consensus-based agreement strengthens the veto power of environmental laggards and often results in long-drawn-out bargaining. All too often, it produces outcomes that reflect the lowest common denominator. New thinking is, therefore, needed on how to improve the current model of environmental multilateralism where it ends up blocking, rather than promoting, progressive international solutions.

As we have witnessed in the area of climate change, the UNFCCC-based negotiations have not produced the level of ambition and speed that are needed to prevent global warming from exceeding 2 degrees by the end of this century. Even though all major powers have recently expressed their commitment to negotiating a comprehensive climate mitigation treaty by 2015, continued wrangling over the legal status of such an agreement and the specific commitments to be included suggest that a Kyoto Protocol-style agreement by all major emitters is out of reach. We are rapidly moving into a different scenario for building global climate governance, one that is based on partial agreements and varying levels of commitment by different emitter nations.

This 'building blocks' scenario departs from the traditional model of environmental multilateralism as it accepts that a comprehensive, universal and legally binding treaty on climate change is unlikely to be agreed. Instead, it suggests a second-best strategy for building climate governance out of smaller and less ambitious agreements, with countries moving at different speeds and creating governance mechanisms in areas where agreement is feasible. In this alternative scenario, mini-lateral deals may be agreed as stepping-stones towards a broader

multilateral agreement. It will remain important, however, to base such action on the existing UNFCCC framework, so as to preserve what has been achieved already and ensure that the different mechanisms and commitments are compatible and comparable.

Reform is also needed for the institutions of global environmental protection. The current institutional architecture delivers important services, from the facilitation of information exchange and negotiation (e.g. UNEP), disbursement of environmental aid (e.g. Global Environment Facility) and administration of environmental agreements (e.g. UNFCCC Secretariat). But the increasingly diverse set of international environmental bodies can often seem confusing and inefficient. The failure at 'Rio+20' to tackle the weakness of UN environmental institutions seems to confirm the view that powerful interests stand in the way of deeper reform efforts. But even if the creation of a centralised UN Environment Organisation remains out of reach for now, the push for a strengthening of the powers and resources of the existing institutions needs to continue. Providing UNEP with an enhanced and more secure funding basis would be an important first step. Strengthening environmental objectives within multilateral development agencies and other international organisations should be pursued whatever happens with UNEP reform. And promoting greater coordination between various environmental treaty bodies would go some way towards a more effective global governance system.

The need for institutional reform also extends to the global economy. The current international rulebook for trade and investment does not fully take into account the environmental costs of global economic exchange. Liberals generally believe in the power of markets to achieve an optimal allocation of capital and to stimulate innovation and growth. But markets produce sub-optimal outcomes when they allow individuals and companies to consume natural resources or use the environment as a pollution sink without paying an appropriate price for the environmental damage they cause. If free trade should not cost us the earth, then market failure needs to be corrected through regulatory intervention.

In an era of globalisation, such interventions ought to take place at the international level. International cooperation is needed to put a price on pollution, e.g. on the use of fossil fuel energy in international production and transport. Removing subsidies on fossil fuel consumption would be a first step towards levelling the playing field with renewable energy sources.

Where international cooperation proves too difficult to achieve, leading economic powers such as the EU can still make a difference by setting higher domestic standards and requiring importers to comply with them. Again, multilateral



solutions are desirable but mini-lateral steps in that direction may be needed to drive up levels of ambition. The absence of multilateral agreement should not be used as an excuse for inaction, and the international rules on trade and investment must not be allowed to force a lowering of such ambition.

*Engaging a wider range of actors*

Just as multilateralism needs to be reformed, so we need to engage a wider range of actors in global environmental protection. Political and institutional inertia in international politics make it essential to mobilise pro-environmental forces at all levels of global society, from the international level down to the local, and up again. Where international treaties cannot be agreed, other options need to be explored. The urgency of the climate challenge does not allow us simply to wait for diplomats to resolve their countries' differences. While international climate negotiations carry on, climate action needs to be initiated wherever possible, in municipalities and cities below the national level, in regional networks across national boundaries, in corporate organisations as much as in global civil society. Liberals should encourage the growing diversity of global climate action. We need to harness all forms of political energy to produce the kind of change that will facilitate the transition towards a low-carbon economy. Rather than arguing over whether climate policy needs to be either top-down or bottom-up – a debate that has pitted proponents and critics of the Kyoto Protocol against each other – we should recognise that effective climate action needs to operate at multiple levels and involve different types of actors.

In this context, the growth in private environmental initiatives that have sprung up outside the UN system can be seen as an encouraging development, provided the relationship between private and public environmental governance is managed well. Environmental NGOs have long pushed for international environmental policies by lobbying states and international organisations. They have increasingly targeted multinational corporations and other actors with the capacity to produce environmental change, which has opened up new avenues for promoting environmental sustainability. Eco-labelling initiatives by manufacturers and retailers, for example, allow consumers to make an informed green choice. Collaboration between environmental groups and timber-trading companies has led to certification schemes that promote sustainable forestry practices around the world. And initiatives such as the Carbon Disclosure Project ensure that a growing number of global companies reveal their carbon footprint, which in turn provides investors with critical information on how to reduce their exposure to climate-related risks. Liberals believe

in the power of individuals and civil society. Where states fail to lead, citizens need to take the initiative and open up new opportunities for advancing global sustainability.

However, private initiative in global environmental affairs is no panacea for the ills of international governance, nor can it replace a strong role for states and international organisations. Parallel efforts by private and public actors should not be allowed to run in competition but need to be brought together. In fact, states and international organisations can do a lot to promote and direct private environmental initiatives. They can encourage corporations to set their own environmental standards and incorporate sustainability objectives into their operations. The UK's plan for a mandatory requirement for large listed companies to disclose their carbon emissions is an important step in this direction. Public authorities can also provide financial and administrative support to multi-stakeholder initiatives, promote broad and democratic participation in such initiatives, and improve the links between them and established intergovernmental processes. The UN Global Compact, for example, is an innovative initiative that invites global companies to adopt and follow ten principles of social and ecological responsibility. Its global corporate network now includes over 5,000 firms and has become the source of a number of international voluntary standards for environmental investment and production.

Thus, states and international organisations can play an important role in initiating and steering private environmental governance efforts. Leading green states and UN environmental bodies can thus become 'orchestrators' of a new and enlarged form of private sustainability governance.

### **Conclusion: towards renewed environmental multilateralism**

There can be little doubt that environmental multilateralism has entered a period of crisis and is producing diminishing returns. The process of environmental treaty-making is slowing down as major powers are reluctant to agree to new and legally binding international commitments. International environmental institutions suffer from a lack of funding and authority, and efforts to reform the international environmental architecture have made no significant progress. Meanwhile, global indicators suggest a worsening of several major environmental trends.

Whether any political creed can find a solution to this global challenge is unclear. Liberalism, for its part, should face up to the crisis in environmental multilateralism and suggest ways towards its renewal. Inevitably, the liberal response will be gradualist and reformist in nature, based on an acceptance of our inability to plan and execute large-scale political change, particularly at the international level. It will seek to mobilise political and social support at all levels, from the international to

the national and local. And it will attempt to accelerate existing efforts to reform global capitalism without abandoning its underlying promise of individual liberty and economic betterment. Above all, liberals need to re-think – but also restate – the case for environmental internationalism.

For as long as the states system plays a critical role in defining the global environmental agenda, environmentally progressive states are needed to set a high level of international ambition. In this regard, Britain and the EU have much to offer. Britain will need to continue to work through European institutions to exercise leadership internationally, and it will need to set an example domestically if its international leadership ambition is to be credible and effective. The current deadlock in many multilateral forums will be difficult to overcome, but a strong and united European stance will be essential if we are to convince other, more reluctant, powers to raise their level of environmental ambition. Domestic political blockage in the United States and diverging interests of emerging powers will make it difficult to create strong environmental treaties in key areas such as climate change. But this should not distract us from the need to work towards a global consensus and establish commitments for environmental protection, whether or not they can be cast in legally binding form.

As suggested above, a number of small steps can be undertaken to renew environmental multilateralism and strengthen the existing international institutional architecture. Reforming and strengthening UNEP, rebalancing the relationship between the WTO and environmental agreements, and promoting measures to make polluters pay and put a price on the ecological costs of economic activities, are all worth pursuing in an international context. States and international organisations should also encourage more private and mixed private-public governance initiatives, in the areas where companies and NGOs have problem-solving capacity and where international cooperation proves elusive. Such private sustainability governance requires careful steering, however, and it is the responsibility of public authorities to provide this role.

In sum, a renewal of environmental multilateralism requires passion and patience. Liberals need to make the case for the continued relevance of international environmental policy amidst profound and often disheartening changes in the international system. Above all, the challenges outlined above call for more, not less, British and European leadership in international environmental affairs.