Bali climate conference ends in farce as US vetoes emission targets

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The UN-sponsored climate change conference held on the Indonesian island of Bali ended on the weekend without any agreement on combatting global warming other than vague generalities. A last-minute, face-saving communiqué was issued but, at the insistence of the Bush administration and its allies, it made no mention of specific carbon emission reduction targets. The UN's Intergovernmental Panel on Climate Change (IPCC) had recommended a cut in carbon emissions of 25 to 40 percent in the advanced industrial countries by 2020 and a total world emissions reduction of 50 percent by 2050.

More than 10,000 delegates, lobbyists, scientists and bureaucrats from 180 countries participated in the Bali conference. The event was the first of a series of international summits scheduled over the next two years, which are to determine a successor agreement to the 1997 Kyoto Protocol due to expire in 2012. All of those present paid lip service to the need for concerted action to avert a global environmental calamity, but each national delegation was primarily concerned to defend its own narrow economic interests.

Deep divisions between the major powers dominated the conference. The European powers, together with China, India and other emerging industrial countries, pressed for the inclusion of a reference to the IPCC emission targets in the final statement. The Bush administration—which never ratified Kyoto and has adamantly refused to agree to binding carbon cuts—led a bloc of countries including Japan, Canada, and Australia, which rejected this and also demanded that so-called developing countries be issued emission targets. (These countries are currently exempt under Kyoto.)

In the end, the Bali statement attempted to fudge all the disputed issues. After acknowledging that evidence of climate change was "unequivocal" and that "deep cuts in global emissions will be required", conference delegates endorsed "quantified emission limitation and reduction objectives" for developed countries without specifying any targets. The question of whether undeveloped economies would be assigned emissions targets was similarly left unanswered. Delegates agreed that "nationally appropriate mitigation actions" should be developed for China, India, Brazil and the other emerging industrial countries, "supported by technology and enabled by financing and capacity-building". Exactly what will be done—particularly relating to the transfer of technology and finance from the advanced capitalist countries—remains unclear and is subject to further negotiation between the participating countries.

Even this very limited statement was in doubt. The conference was supposed to finish on Friday, but in the absence of an agreement, the reportedly acrimonious talks continued well into the weekend. Only after all reference to specific emissions targets was dropped did Washington sign on. Even at the last minute, US delegates threatened to halt everything because they were dissatisfied with a minor amendment included by India regarding the transfer of "green" technologies to developing countries. Other delegates loudly booed the American team, which then withdrew its opposition to the amendment in the face of this hostility.

Sections of the US and international media presented the decision as a significant shift and even a "u-turn" on Washington's part. Several members of the European delegation claimed the final communiqué was a victory on the grounds that the Bush administration signed on to the "road map" that would lead to a new agreement. Nothing could be further from the truth. Shortly after the end of the conference, the White House released a statement that reiterated Bush's long standing positions and made clear that the Bali statement changed nothing.

Several climate scientists expressed disappointment with the outcome. "We could have moved on from here with a confident range of future cuts," the University of Washington's Andrew Light told the *New York Times*. "Instead we have to move on with the same continued uncertainty. At the beginning of the week I was really heartened by the public praise the US delegation was giving to the IPCC and now I can't help but think, was it all lip service?"

Angus Friday, Grenada's UN ambassador and chair of the Alliance of Small Islands, said: "We are ending up with something so watered-down there was no need for 12,000 people to gather here in Bali. We could have done that by email." The Alliance of Small Islands is a grouping of low-lying island nations that face inundation from rising sea levels.

The UN's Intergovernmental Panel on Climate Change had earlier issued clear cut warnings of the grave and immediate threat posed by global warming. More than 200 climate scientists involved in the IPCC research issued an open letter to the Bali delegates pleading for urgent action. "The amount of carbon dioxide in our atmosphere now far exceeds the natural range of the past 650,000 years, and it is rising very quickly due to human activity," the letter explained. "If this trend is not halted soon, many millions of people will be at risk from extreme events such as heat waves, drought, floods and storms, our coasts will be threatened by rising sea levels, and many ecosystems, plants and animal species will be in serious danger of extinction."

Washington has again drawn international condemnation for its position on climate change. Ever since coming to office, the Bush administration has sought to protect the interests of its close allies in the US oil industry by playing down the scientific evidence for climate change and refusing to ratify the Kyoto protocol. American intransigence has allowed the European powers to posture as serious advocates for the world's environment. However, the stance of Europeans is driven just as much by short-term economic self-interest.

The EU based its preferred targets on the IPCC report, which itself is outdated, relying on an assessment of scientific studies published only up to mid-2006. Additional evidence released in recent months indicates that climate change is far more advanced than was previously realised and requires far greater emissions cuts. Greenhouse gas emissions are rising faster than even the worst-case IPCC scenarios forecast. While carbon dioxide emissions increased by 1.1 percent a year from 1990-1999, they grew by more than 3 percent from 2000 to 2004. This enormous increase, which testifies to the failure of the Kyoto Protocol to address the climate change crisis, threatens to trigger irreversible climate change "multipliers".

One of these potential multipliers is the melting of the Arctic ice cap, which is proceeding far more rapidly than the IPCC realised. Scientists this week warned that Arctic ice could completely melt during summer as soon as 2013. Recent studies have established that the melting of the polar ice caps is not a gradual, linear process but instead flips from one state to another as temperature increases lead to a qualitative transformation in the structure of polar ice sheets. Scientists from NASA, Colombia University and the University of California published a paper in May showing that when temperatures rose to 2-3 degrees Celsius above today's level, 3.5 million years ago, sea levels rose by 25 metres. The study concluded by warning that the Earth was in "imminent peril" and stated that without major emissions cuts, "devastating sea-level rise will inevitably occur". This process, should it ever occur, will only compound the problem of global warming. An absence of polar ice means that heat previously reflected back into space will be absorbed by the world's earth and oceans, leading to a cycle of further heat absorption and warming.

The precise level of emission cuts required to prevent dangerous global warming is not known. One scientific study published this year in the *Geophysical Research Letters* journal concluded that even with a 90 percent cut in global emissions by 2050, the generally agreed threshold of tolerable global warming—a 2 degree Celsius rise above pre-industrial level—would eventually be broken. Some scientists have warned that what is required is nothing less than the immediate transition to a "decarbonised" world economy.

None of the major delegations to the Bali conference raised this possibility. That the European powers stuck with the outdated emission reduction recommendations points to the fact that their position was not driven by genuine concern for the environment. Their real agenda is that of securing the long-term future of the $US30 billion Emissions Trading Scheme (ETS) and maintaining Europe's domination of the world carbon commodity trade.

A joint communiqué issued by more than 150 mostly British and European companies before the Bali conference underscored the enormous economic interests at stake. The statement—signed by executives of companies including Shell, Allianz, HSBC Bank, KPMG, British Airways and Lloyds Bank—demanded the establishment of emission reduction targets, including a 50 percent cut by 2050. The "shift to a low-carbon economy will create significant business opportunities," the corporate chiefs declared. "New markets for low carbon technologies and products, worth billions of dollars, will be created if the world acts on the scale required ... we believe that tackling climate change is the pro-growth strategy."

The European ETS has emerged as the most lucrative of all the so-called free market mechanisms developed through the Kyoto Protocol. The ETS has done nothing to significantly reduce emissions in Europe, but it has spawned an enormous international market in carbon investment and speculation. Carbon trading involves businesses being allocated emissions "credits" which can be sold to other corporate polluters if their carbon output falls under their allotted "cap". All the world's leading banks and financial institutions are now involved in various forms of carbon investment and speculation.

"More than $US60 billion changed hands in the global carbon market this year, double the trade of last year and up from just $US400 million three years ago," an article in last Saturday's *Sydney Morning Herald* titled "Bali's Business Bonanza" explained. "Analysts estimate the market could be worth $US1 trillion within the next 10 years. By 2030, according to some carbon bulls, it may even be the biggest commodity market in the world, overtaking crude oil."

The carbon market has rapidly developed into a vast international racket, with an array of subsidiary corporate industries and services. Their representatives played a prominent role in the Bali discussions. The largest single lobby group at the conference was the International Emissions Trading Association, which constituted 7.5 percent of the nearly 4,500 registered non-governmental organisation delegates. More than twice as many carbon trading operatives were present than representatives for the World Wide Fund for Nature and Greenpeace combined.

The carbon trading industry received a major boost through the Bali conference, primarily due to the efforts of the EU delegation. In one of the few concrete measures agreed at the meeting, deforestation will now be tied to the European ETS. A new scheme known as "reducing emissions from deforestation and forest degradation" (REDD) will allow Europe's corporate polluters to maintain existing operations, even if they emit more than their allotted cap, provided that they buy additional carbon credits through schemes to supposedly prevent deforestation in undeveloped countries. The plan, which is modelled on the corruption-riddled Clean Development Mechanism, will almost certainly fail to reduce greenhouse gas emissions or halt deforestation. It will, however, generate further profits for the international carbon market. Analysts estimate that carbon credits worth $US10 billion a year could be generated through the REDD scheme in Indonesia alone.

The European powers expect that the enormous profits on offer will lead to a significant shift in the US after Bush leaves office. A similar process in Australia culminated in the Labor government's ratification of Kyoto. Just as Australian big business repudiated the Howard government's intransigent stance, so powerful sections of corporate America have concluded that Bush has favoured the fossil fuel industry at the expense of their broader interests. Earlier this year the US Climate Action Partnership—comprised of major corporations including Alcoa, Chrysler, Ford, General Motors, Dow Chemical, General Electric, and Rio Tinto—issued a "call to action" to the US president and congress, demanding the establishment of a national carbon trading market based on clear emission targets. The three leading Democratic presidential candidates—Hillary Clinton, John Edwards, and Barack Obama—have all pledged to set up a US carbon-trading scheme, as has Republican challenger John McCain. Other Republicans are yet to make their position clear.

None of the piecemeal and pro-market schemes advanced by the major capitalist powers can resolve the climate change crisis. The entire framework within which the Kyoto and post-Kyoto negotiations have proceeded testifies to the anarchic and anachronistic character of the capitalist system. While the present epoch is marked by the ever-closer integration of the world economy, official discussion on potential solutions to climate change remains posed in terms of national emissions targets.

This has inevitably led to absurdities. If, for example, an American transnational corporation is emitting copious greenhouse gases in a factory located in Mexico, which country is credited with the emissions? Under Kyoto the answer is Mexico. Or if Australian mining companies export enormous supplies of coal, a fossil fuel, to China for electricity generation, which country is held responsible for the resulting carbon combustion? Under Kyoto—China. And what about the emissions generated by international travel? Should ships and planes transporting people and goods add to the tally of national emissions for the country of departure or of origin? Under Kyoto, these emissions are classed as "orphan emissions" and not attributed to any country.

To achieve the reduction in required global carbon emissions, nothing less than the complete reorganisation of the world economy is necessary. An internationally coordinated economic plan is needed involving the complete restructuring of the world's industrial and agricultural sectors, as well as the reorganisation of energy generation, transportation, and urban planning. As the outcome of the Bali conference again demonstrated, this is impossible under the present capitalist order in which the priority is the short-term profits of the corporate elite at the expense of the social needs of the majority and the long-term viability of the planet as a whole.