The Crucible of Common Sense: Real and Illusory Expectations in Copenhagen

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The agenda is set for the United Nations’ climate change conference in Copenhagen, but few attendees expect substantial progress. As most students of international diplomacy know, leaders seldom risk valuable political capital on meetings that are expected to be unproductive. As a result, staff and other underlings strive to reach consensus so that, at the worst, some positive result can be declared. Now the consensus expectations are apparent, and predictably, they are far less promising than many delegates hoped.

Of course, lowering expectations is a well-known sociological and diplomatic device. When observers expect less, they are seldom disappointed, and real progress may be viewed as a surprising breakthrough. It all depends on how high the bar is set. This was exactly the mood set by the U.N.’s climate chief, Yvo de Boer, when he conceded last spring that “getting every small detail” of a new treaty might not get done in Copenhagen. Since then, the divide has grown wider, and expectations now are diminished to a consensus on the structure of an agreement, leaving major decisions — and serious disputes — to later meetings in Bonn, Germany, and Mexico City. Even President Obama’s decision to change his itinerary to appear in Copenhagen on the last day of the conference cannot obscure the appearance of primarily political, rather than substantive, goals.

In reality, the U.N.’s overall structural ideas have not changed substantially in the last several months since de Boer made his proposals. To reach an agreement, four basic concerns must be resolved:
To what extent are developed nations prepared to reduce their greenhouse gas emissions?

To what extent are developing nations such as India and China prepared to limit their emissions or limit the growth rate of those emissions?

What financial commitments are developed nations willing to make, if any, to assist the developing countries in limiting or reducing the growth of those emissions, and how will those commitments be framed, allocated equitably and financed? and

Who is going to manage and police the transfer of this wealth to the developing world, audit and verify that the funds are deployed productively, and reliably confirm that emissions reductions are actually achieved?

Anyone reading these concerns should immediately recognize that beyond the first three questions, which are mere promises, the last inquiry, involving control of vast sums of money, is the most difficult and important obstacle to an international agreement. It is difficult enough to reach agreements on the environmental and financial commitments necessary to fund the treaty’s obligations, but creating a system that inspires confidence and guarantees reliable management of the enormous resources committed to the effort is a truly Herculean task.

Lest we forget, Greek mythology reminds us that Hercules only relieved immortal Atlas’ burden of supporting the world briefly — and then tricked him into Shouldering it again. Hopefully the myth will not be re-enacted here. Those who seek global trust must prove themselves worthy and capable of achieving the permanent solutions they so earnestly profess. Since the costs are so extraordinary, competence and trustworthiness are enormously important. More crucially, however, citizens themselves — who will ultimately pay the consequences of the success or failure of the venture — must perceive that the proposed system is necessary, fair and reliably administered.

At the outset, and indeed throughout this important conference, it’s best to pour all of these questions, the parties’ rhetoric and posturing, the entire scientific controversy, and the natural distrust associated with handing over sovereign funds to international management into what Dickens called “the crucible of Common Sense.” Although many modern sophisticates may desirously label “Common Sense” as a cliché, those of us who try lawsuits know that the phrase has enduring meaning for average citizens who comprise juries in our Western democracies. And despite the appeal of logic and systematic administration in nations governed by Civil Code jurisprudence, common-law nations still adhere to Justice Oliver Wendell Holmes’ maxim that “The life of the law is not logic; it has been experience.”

So before sweeping decisions are made in Copenhagen’s rarefied intellectual air, it is wise to test all these concerns in the searing caldron of experience, thereby “consuming the Humbug and producing the Truth.” Failing to do so will produce a suspicious agreement that inquisitive minds will reject — a genuine risk in the United States, for example, where skeptical citizens hold considerable political power over the ratification process.

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Experience suggests that the United Nations has not handled international financial problems consistently and effectively in the past. This year, the U.N. is plunging ahead with pressures to secure international funding for climate change initiatives despite knowledge of huge economic risks facing the world economy. This approach is especially troubling because, in its reports on the world economic situation and prospects published since 2005, the U.N. foresaw the precise problems that produced the current worldwide recession. It warned against the dangers of the “unsustainable pattern of global growth” that “was characterized by strong consumer demand in the United States, funded by easy credit and booming house prices.”

It observed that “financial deregulation facilitated a massive and unfettered expansion of new financial instruments, such as securitized subprime mortgage lending, sold on financial markets worldwide.” Although this program allowed substantial growth of exports and benefited developing nations, it also created “financial imbalances” and “overleveraged financial
institutions, businesses and households.” According to the U.N., the lack of sufficient regulatory control and “global governance structures” led to the “breakdown” in the system we are witnessing today.

If this truly reflects the state of knowledge within the U.N. over the past five years, it demonstrates an appalling incapacity to motivate member states to avoid financial collapse. Moreover, it betrays a fundamental impotence to penetrate the communication barriers raised between national governments and their citizens — even when calamities created by their own governments’ institutions threaten economic ruin.

Notwithstanding this failure, the United Nations now insists that the Copenhagen conference will provide an “unprecedented opportunity to map out a more sustainable economic future.” In its World Economic and Social Survey, published earlier this year, the U.N. put the burden for doing so squarely on the backs of the developed nations. Since they “have the resources and responsibility to lead the way,” they must make “bold commitments to reducing their emissions” and “helping developing nations undertake mitigation and adaptation.” According to the U.N., this strategy requires the international community to “step up to the plate” with multilateral financing on a “much larger scale than has been forthcoming to date.” It also requires new approaches for “transferring technology” from rich to poor nations.

Denmark, the conference’s host nation, has not been shy about the burdens the developed countries must assume. In October Connie Hedegaard, the Danish minister for climate and energy and the conference’s incoming president, insisted that North America, Europe, Australia and Japan must “prove … to the developing world [that] we know we’re going to pay, or there will be no agreement.” This theme is echoed by developing nations, which say the industrialized countries owe a “climate debt” that must be repaid — a debt that, according to more extreme positions, accumulated as they maintained lifestyles of “profligate consumption” at the expense of the rest of the world’s population.

In the burning crucible of Common Sense, the U.N.’s massive plan is likely to melt away, revealing the plain truth of an opaque investment scheme by the same institutions and governments that gave us the international financial meltdown and the worst downturn since the Great Depression. Ordinary people using “common sense” will almost certainly dispute that they owe gigantic “climate debts” because their hard work and ingenuity have produced a comparatively affluent lifestyle. They will suspect that it is their taxes, not private investment, that will drive this massive transfer of wealth. After all, it was their taxes that “bailed out” the private institutions that may ultimately participate in the climate change markets and fund the investments in developing countries. Likewise, considering the current economic conditions, inquisitive people will also question the sufficiency of resources available to fund these projects, as well as the reliability and competence of international institutions to manage and verify their efficacy.

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It is unlikely that the U.N. is prepared to answer these concerns. Its proposal to handle the problem, as stated in the World Economic and Social Survey, consists of a global approach to a “publicly funded” investment program based on:

- A development accord that recognizes equity as an integral part of a global response to climate change;
- Additional and substantially scaled-up financing to allow for climate action with greater urgency; and
- Independent and participatory governance structures along the lines of the Marshall Plan.

Given the current economic crisis, the role of “equity” and “market” principles in any economic system is suspect from the beginning, especially in the absence of a governing body that is vastly more powerful, reliable and, most importantly, transparent than any that has existed previously. Even the group of least developed countries distrusts this approach, stating last month, “We must remember that these markets on which we are being asked to place our trust for the provision of resources to address the problem of climate change have devastated the lives of millions.” Citizens
of member states can rightfully question whether entrusting significant amounts of their nations’ annual gross domestic products is a wise and trustworthy “investment” to deal with a climate problem that is, to the average person, incomprehensible except by faith.

Whatever happens in Copenhagen, the finished structure must inspire more than faith. It must inspire conviction based on a plainly stated analysis of risks and benefits, and it must propose a comprehensible system in which average citizens can confidently place their trust and their fortunes. No international program in the history of the planet — not even the Marshall Plan, which was accomplished in the heady air of Allied victory, as opposed to an atmosphere of economic cynicism and skepticism — has ever satisfied those criteria fully. Significantly, Al Gore’s proposed “Global Marshall Plan” was proposed almost 20 years ago in a time when economic and international security situations were vastly different. Applying such grand — and expensive — designs in the midst of a global downturn is a questionable exercise. Of course, the absence of reliable models does not mean that a sound program cannot be created, but the lack of precedents demonstrates the great obstacles remaining to be surmounted.

As the Copenhagen conference opens and proceeds, de Boer certainly deserves credit for lowering the world’s expectations for its success. But if the U.N.’s efforts are to succeed, it must do a better job of communicating the terms and necessity of any proposed treaty than it has ever done before. Months ago de Boer stressed his hope that the conference would create a “clarity” that the world — not least the financially stricken business world — needs. But more than hope will be needed as the cauldron begins to bubble.

As the elements begin to melt, it’s best to recall that the “crucible of Common Sense” is ultimately tended not by global businesses, but by average citizens. They too have been stricken and, unlike so many financial institutions, they have not been “bailed out.” They too need clarity, with explanations and justifications that persuade them to risk their present resources to prevent future harms that may, or may not, directly affect them or their progeny.

All Copenhagen delegates should remember that their absent constituents are watching, waiting and tending the flames as the crucible of their common sense “consumes the Humbug and produces the Truth.” Let no one doubt the power of individual conscience to scuttle an arrogantly constructed, inexplicable and untrustworthy treaty.