

Global Climate Governance: New Trends and China's Policy Options

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In the current global climate governance, the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, respectively signed in 1992 and 1997, have been critical institutional foundations for global collective action. The Kyoto Protocol outlines a basic institutional framework for global climate governance: it commits the signatory governments, in a top-down manner, to a binding reduction target for greenhouse gases, and creates a dichotomy between developed and developing countries by relieving the latter of their obligation for emissions reductions.¹ As such arrangements greatly contradict reality, the Kyoto model of global climate governance under the Kyoto Protocol has encountered widespread criticism since its inception.

The Paris Agreement reached at the end of 2015 has made significant adjustments to the Kyoto model: the combination of bottom-up voluntary emissions reductions and top-down political pressure are the new institutional arrangement, and the principle of the South being exempt is replaced by differentiated responsibilities in light of different national circumstances and

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1 For a summary of the “Kyoto model” of global climate governance, see Yu Hongyuan, *Challenges and Innovation in a Low-Carbon Economy*, Dongbei University of Finance and Economics Press, 2015; Li Huiming, “The Paris Agreement and Transition of the Global Climate Governance System,” *Global Review*, Issue 2, 2016, pp.4-5; Gu Dejin, “Reconstruction of Common but Differentiated Responsibilities: Comparison of the Kyoto Protocol and the Montreal Protocol,” *Journal of China University of Geosciences (Social Sciences Edition)*, Issue 6, 2011, pp.8-17.

global responsibility sharing.² However, the “prisoners’ dilemma” of the Kyoto Protocol, namely the distribution of the costs of economic adjustment, was not solved at the negotiating table in Paris. To comprehensively understand the Paris Agreement and the development of global climate governance and what the implications are for China, we must look beyond the Agreement and dive into the major mechanisms that are pushing the international climate regime forward in the face of the “Kyoto dilemma.”

The Kyoto Dilemma and the Paris Agreement

The Kyoto Protocol, despite being the most legally-binding international document in the history of global climate governance, gives a wrong prescription that renders inevitable the Kyoto dilemma. The Kyoto Protocol should have served to motivate collective action by countries and other actors. However, the institutional design contained in the Protocol has had the opposite effect, with two problems commonly considered to be at root of the Kyoto dilemma.

First, the conflict between reduction efficiency and economic development has constrained the Protocol from being effective. The Protocol is intended to realize climate governance through stipulating mandatory greenhouse gas (GHG) emissions reduction in a top-down manner, but this control-centered approach is inconsistent with the globally dominant development-centered concept.³ While the efforts to cope with global

2 For a summary of the institutional innovation embodied in the Paris Agreement, see Yu Hongyuan, “Development of Climate Governance in 2015 and Its Implications,” *Journal of Shanghai Jiao Tong University (Philosophy and Social Sciences)*, Issue 1, 2016, pp.5-15; Chao Qingchen, Zhang Yongxiang, Gao Xiang and Wang Mou, “Paris Agreement: A New Start for Global Governance on Climate,” *Climate Change Research*, Issue 1, 2016, p.63; Bo Yan, “Paris Agreement, Common but Differentiated Responsibilities and Respective Capabilities and the Transformation of International Climate Regime,” *Climate Change Research*, Issue 3, 2016, pp.243-250; Li Huiming, “The Paris Agreement and Transition of Global Climate Governance,” pp.10-12; Lavanya Rajamani, “Differentiation in a 2015 Climate Agreement,” <http://www.c2es.org/publications/differentiation-2015-climate-agreement>; Lyu Jiang, “Paris Agreement: New Climate Institutional Arrangement, Uncertainty, and China’s Choices,” *International Review*, Issue 3, 2016, p.95.

3 For the dominance of development-centered concept in global climate governance (and broader global environmental governance), see Steven Bernstein, “Liberal Environmentalism and Global Environmental Governance,” *Global Environmental Politics*, Vol.2, No.3, 2002, pp.1-16.

warming are typical public goods, the obligation to reduce GHG emissions rests on individual countries and thus becomes their burden. As the mandatory reduction of emissions incurs huge economic costs for countries while the benefits of climate governance remain uncertain, there is naturally a strong incentive for taking a free ride.⁴ The conflict between national sovereignty and the responsibility of emissions reduction thus hampers the climate regime's efficiency.⁵

Individual countries, which cannot benefit economically from their emissions reduction efforts under the current control-centered approach, are destined to play a rather limited role in climate governance. Not only is the international regime unable to address the deficit of national action, the lack of coordination with national interests may in turn even challenge its authority, pressuring it in a direction toward disruption.⁶ The Protocol did not formally come into effect until 2005, and it has had limited effect. Since the Copenhagen Conference in 2009, the Kyoto model has virtually existed in name only.

Participation in climate governance, however, does not necessarily have to be a burden for countries. While GHG emissions are admittedly directly accountable for global climate change, this excess of emissions is basically due to carbon-dependent economic development and lifestyles, including the reliance on fossil fuels in the energy sector, reliance on electric lighting systems in urban planning, lack of support for green transportation, and lifestyles with high carbon emissions. Therefore, global climate governance is essentially not an issue of emissions reduction, but an issue of how to transform the economic development pattern into one that is low-carbon or even de-

4 Cass R. Sunstein, "Of Montreal and Kyoto: A Tale of Two Protocols," *Environmental Law Reporter News & Analysis*, Vol. 31, No.1, 2008, pp.1-65; Shao Xueting and Wei Zongyou, "Free-riding in Global Climate Governance: A Behavioral Economic Perspective," *Environmental Economy*, Issue 1, 2012, pp.47-51.

5 Narasimha D. Rao, "International and Intranational Equity in Sharing Climate Change Mitigation Burdens," *International Environment Agreements: Politics, Law and Economics*, Vol.1, 2014, pp.129-146.

6 Martha Finnemore, "Dynamics of Global Governance: Building on What We Know," *International Studies Quarterly*, Vol.58, No.1, 2014, pp.221-224.



The 2016 United Nations Climate Change Conference, the first since the Paris Agreement formally came into effect, was held in Marrakesh, Morocco from November 7-18, 2016.

carbonized.⁷ This transition is bound to introduce new economic growth points, and thus create tremendous comparative advantages and economic benefits for countries that lead the process. Unfortunately, the Kyoto model has suppressed the development of low-carbon economies. Compared with GHG emissions reduction, low-carbon economic development requires systematic reforms encompassing nation-states, regions, organizations and individuals. This necessarily demands multiple actors (nation-states, regional governments, market actors, etc.) to take multiple actions (capacity building, concept dissemination, interest construction, etc.) on multiple levels (nation-state, regional and transnational). Since global climate governance has been locked by the Kyoto model into a top-down emissions reduction effort led by nation-states, the capacity of various actors on various levels to take actions

7 Wang Tian and Li Junfeng, “Global Marathon toward Low Carbon after Paris Agreement,” *International Studies*, Issue 1, 2016, p.123.

has long been stifled by the multilateral climate regime.⁸

Consequently, the preference for multilateralism and nation-centralism under the Kyoto model in essence goes against motivating the forces for low-carbonization.

Second, the conflicts among negotiating parties regarding the principle of emissions reduction have led to the Protocol's ineffectiveness. Besides a lack of incentives for countries to participate in climate governance, there

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is stark contrast between the countries in the North and those in the South in normatively understanding the fundamental distribution principle of emissions reduction obligations, namely common but differentiated responsibilities and respective capabilities (CBDR-RC), whose interpretation has, for a long time, been the focal point of the North-South divide in global climate governance. The Protocol, when applying the CBDR-RC

principle, made a simplistic dichotomy between the reduction obligations of developed and developing countries, the latter being privileged to be exempt from any responsibility to cope with climate change. The South being exempt has been continuously criticized by some developed countries. The United States and other Western countries, through their defiant actions, restructuring of the discourse, and forming of an interest-based alliance, have shaken the authority of CBDR-RC.⁹ Besides the United States, Japan, Canada and the European Union have all pressured major developing

8 For the results of research into the stifling effect of multilateralism on institutional innovation, see Radoslav S. Dimitrov, "Hostage to Norms: States, Institutions and Global Forest Politics," *Global Environmental Politics*, Vol.5, No.4, 2005, pp.1-24.

9 For the specific actions taken by the United States, see Li Huiming, "Order Transition, Hegemony Decline and Global Climate Politics: Root of Global Climate Regime's Fragmentation and Leadership Deficiency?" *Journal of PLA Nanjing Institute of Politics*, Issue 6, 2014, pp.58-60; Xie Tingting, "Actor Strategy and the Dissemination of Norms: The Case of America's Withdrawal from the Kyoto Protocol," *Journal of Contemporary Asia-Pacific Studies*, Issue 5, 2011, pp.111-116.

countries in one way or another, and demanded a reshaping of CBDR-RC as a condition for their emissions reduction efforts.¹⁰ For developing countries, on the contrary, the legitimacy of the South being exempt principle in global climate governance is incontrovertible, and all agreements shall be reached on the principle of preferential treatment for the South. As a result, much time and political resources are consumed in the multilateral negotiations regarding CBDR-RC, and the declining recognition of CBDR-RC by developed economies, especially by the traditional leaders in climate governance such as the European Union and Canada, has further weakened the willingness of Annex I Parties to reduce emissions.¹¹ This is also a critical reason for the dysfunction of the Kyoto model and the failure of Copenhagen Conference.¹²

The Paris Agreement is considered a milestone in global climate governance as it breaks through several institutional frameworks under the Kyoto model and thus provides institutional support for addressing the Kyoto dilemma. The Agreement renews the application of the CBDR-RC principle with global responsibility sharing and voluntary emissions reduction, and replaces the simplistic North-South division with consideration of different national circumstances in distributing obligations, which creates a normative conjunction point between North and South countries. More importantly, since the Paris Agreement actually abandons the top-level design of the Kyoto model, the initiatives of more actors will be encouraged, accelerating the movement toward low-carbon economies. Having said that, the Agreement itself is only a phased result in the complex process of international political and economic development, and its political and symbolic meaning, which is institutionally confirming the transition of global climate governance in the previous stage, outweighs its practical significance. The major forces behind

10 Bo Yan, "The Principle of Common but Differentiated Responsibilities and China's Environmental Diplomacy Discourse," *Fudan International Studies Review*, Issue 1, 2013, pp.202-205.

11 Bo Yan and Chen Zhimin, "EU's Weakening Leadership in Global Climate Change Governance," *International Studies*, Issue 1, 2011, pp.37-44; Xie Laihui, "The Transformation of the Leader in Global Environmental Governance: The Case of Canada," *Journal of Contemporary Asia-Pacific Studies*, Issue 1, 2012, pp.119-139.

12 Gu Dejin, "Reconstruction of Common but Differentiated Responsibilities: Comparison of Kyoto Protocol and Montreal Protocol," pp.8-17.

the solutions to the Kyoto dilemma lie outside the multilateral negotiating arena. The emergence of the global low-carbonization movement, as well as the division and restructuring of climate negotiation blocs, provides necessary conditions for the success of multilateral talks, where international leadership also plays a significant role.¹³ In a sense, it is mostly China and the United States¹⁴ that lead the movement toward low-carbon economies and the transition of international norms.

Low-Carbon Competition and Interest Restructuring

The failure of the Kyoto model was a major setback to the traditional approach to global climate governance, characterized by top-level design and emissions control. However, this setback in turn ended the monopoly of the multilateral governance approach and released innovative forces that otherwise would have been suppressed, thus initiating a multi-actor, multi-level and complex process of climate governance.¹⁵ This “complex regime,” or “institutional fragmentation,” has become an important concept to understand the current climate governance, while existing research still emphasizes the challenges and disruptive effects of the institutions outside UNFCCC and the Kyoto Protocol.¹⁶ From a systematic perspective, the rapid development of extra-multilateral institutions is more positive than negative for global climate governance, as the actions on multiple levels taken by multiple actors is critical for developing low-carbon economies. Under the

13 International leadership takes various forms. Li Huiming, on the basis of Oran Young’s research, distinguishes international leadership into four categories: structural (relying on coercion), directional (relying on example and demonstration effect), ideal (providing solutions) and instrumental (coordinating different positions). See Li Huiming, “International Leadership and China’s Strategic Options in an Era of Fragmented Global Climate Governance,” *Journal of Contemporary Asia-Pacific Studies*, Issue 4, 2015, pp.142-143.

14 Li Qiang, “China-US Climate Cooperation and the Paris Agreement,” *Theoretical Horizon*, Issue 3, 2016, pp.67-70.

15 Matthew J. Hoffmann, *Climate Governance at the Crossroads: Experimenting with a Global Response after Kyoto*, New York: Oxford University Press, 2011, Chapters 3 & 4.

16 For relevant literature, see Robert O. Keohane and David G. Victor, “The Regime Complex for Climate Change,” *Perspective on Politics*, Vol.9, No.1, 2010, pp.7-23; Li Huiming, “International Leadership and China’s Strategic Options in an Era of Fragmented Global Climate Governance,” pp.128-156.

surface of the institutional dilemma of multilateralism is the independent actions of various actors within the existing framework that are giving birth to a low-carbon revolution in the global economy.

First, at the market level, the participating parties are promoting low-carbon supply chains through carbon labeling and procurement control. Large transnational corporations play a dominant role in this process, while non-governmental organizations and governments exert influence on corporations by setting relevant standards. For example, taking advantage of their position in global supply chains, procurers and retailers from developed countries, such as Wal-Mart Stores Inc., are effectively driving suppliers from developing countries to adopt lower-carbon, more environmentally friendly production through their requirements for the products they procure.¹⁷

Second, at the sub-national level, provincial and municipal administrations are active in supporting low-carbon economic activities. For example, some North European and North American cities are leading the way with policy innovations, urban planning reforms and recycling energy systems to create low-carbon cities. Transnational networks among cities, represented by C40, are also becoming important platforms for the proliferation of low-carbon policies.¹⁸

Third, at the national level, some governments are providing generous support for new-energy projects and carbon-trade mechanisms. For example, the European Union's carbon-trade system and the tax policies of the United Kingdom and Germany on energy, resources, ecology and the environment

17 Van der Ven Hamish, "Socializing the C-suite: Why Some Big-Box Retailers are 'Greener' Than Others," *Business and Politics*, Vol. 6, No.1, 2014, pp.31-63.

18 For relevant literature, see Peter H Koehn, "Underneath Kyoto: Emerging Subnational Government Initiatives and Incipient Issue-Bundling Opportunities in China and the United States," *Global Environmental Politics*, Vol.8, No.1, 2008, pp.53-77; David J. Gordon, "Between Local Innovation and Global Impact: Cities, Networks, and the Governance of Climate Change," *Canadian Foreign Policy Journal*, Vol.19, No.3, 2013, pp. 288-307; Zhuang Guiyang and Zhou Weiduo, "Participation of Non-State Actors and Transition of Global Climate Governance: Role of Cities and City Networks," *Foreign Affairs Review*, Issue 3, 2016, pp.133-156; Li Xinlei and Song Tianyang, "Experimentalist Governance on Transnational Municipal Networks: A Case Study on the Climate Governance on European Transnational Municipal Networks," *Chinese Journal of European Studies*, Issue 6, 2014, pp.129-148.

have triggered more extensive participation in low-carbon production.¹⁹ China, on the basis of regional carbon-trade pilot platforms, is also actively pursuing a nationwide carbon market.

Fourth, at the international level, “mini-lateral” forums and cooperative mechanisms organized by a small number of countries are gradually emerging in global climate governance. These mechanisms, such as the Clean Energy Ministerial (CEM) global forum, provide important channels for proliferating low-carbon policies across national borders, cultivating an atmosphere conducive to low-carbon cooperation, and promoting low-carbon technologies. As movements at various levels and of various forms unfold, the low-carbon transition of the global economy is becoming an irreversible trend.²⁰ As low-carbonization is changing the market ecology, people are increasingly realizing that economic actors, naturally including nation-states, can greatly benefit from this transition. Therefore, the development of low-carbon economies has become a critical factor that may influence national competitiveness in the future.²¹

Given the tremendous global effects of climate change, countries worldwide are committing themselves to control GHG emissions by economic means, on which basis low-carbonization of the world economy is taking shape. Both developed and major developing countries have introduced high-level policies to promote low-carbon economies, and the three major economies, the United States, the European Union and China, are competing for leadership of the low-carbon development pattern.²² Some research on the European Union’s motives for emissions reduction has found that concern over energy security and advantages in low-carbon energy

19 Yu Hongyuan, “Climate Change, Energy Security and the Evolution of World Order: Low-carbon Competition between the Developed Countries and the Emerging Markets,” *Frontiers*, Issue 22, 2015, pp.56-64.

20 Zhang Mei, “Green Development: Global Trends and China’s Options,” *International Studies*, Issue 5, 2013, pp.93-102.

21 Yu Hongyuan and Li Wei, “China-US Carbon Diplomacy Leads International Response to Climate Change,” *Green Leaf*, Issue 7, 2009, pp.100-105.

22 He Jiankun, Zhou Jian, Liu Bin and Sun Zhenqing, “Global Trends of Low Carbon Economy and China’s Response,” *World Economics and Politics*, Issue 4, 2010, pp.18-35.

technologies and commodity trading explain its taking the initiative in global climate governance.²³ Other analysts point out that the core objective of the Obama administration's "Green New Deal" is to change the allocating system of international resources, establish a new-type of green industry at the ten-trillion-dollar level, greatly create domestic jobs, be another boost for the domestic economy, and transform the country from a consumption society to a productive one.²⁴ Provision of common goods for emissions reduction is merely a by-product of the above economic motives. Similarly, it is suggested by some scholars that China's active promotion of a carbon-trade market is aimed at taking the high ground in the future.²⁵ In the Paris Agreement, the international community reached consensus on holding the increase in the global average temperature to well below 2°C above pre-industrial levels and reaching the global peaking of GHG emissions as soon as possible. Individual countries, under this background, will actively promote the acceleration of energy reform in a green and low-carbon direction.

The advent of the low-carbon era and intensification of low-carbon competition is undoubtedly good news for global climate governance. This trend, promoted collectively by the market and governments, shifts countries' attention from shunning their responsibilities for GHG emissions reduction to actively developing low-carbon economies, clean energy and green technology through domestic economic leverages, so as to keep pace with the times. Therefore, the low-carbon transition of the economic development

The low-carbon transition of the economic development model is being weaved into individual countries' critical national interests, and emissions reduction is no longer an issue of conflict.

23 Xie Laihui, "Why the EU Led the World against Climate Change," *World Economics and Politics*, Issue 8, 2012, pp.72-91.

24 Yu Hongyuan and Li Wei, "China-US Carbon Diplomacy Leads International Response to Climate Change," p.104.

25 Alex Y. Lo and Michael Howes, "Power and Carbon Sovereignty in a Non-Traditional Capitalist State: Discourses on Carbon Trading in China," *Global Environmental Politics*, Vol.15, No.1, 2015, pp.60-82.

model is being weaved into individual countries' critical national interests, and emissions reduction, as a by-product of this transition, is no longer an issue of conflict. This important change disentangles the dilemma of the Kyoto model, namely the burden of emissions reduction on countries and the ensuing free-riding phenomena, and provides conditions for reaching new multilateral climate arrangements. While the Paris Agreement makes a rather loose requirement on individual countries' reduction targets, it is still widely considered a breakthrough in global climate governance, because it makes the low-carbon trend irreversible and its continuation no longer reliant on the implementation of a multilateral agreement.

Development of New Climate Governance Principles

Politicization, according to Robert Keohane and Joseph Nye, is defined as a process of agenda formation.²⁶ Traditionally, the use of power and power struggles in politics were highlighted, as seen in the works of Max Weber, Andrew Heywood, and especially Hans Morgenthau.²⁷ In global climate governance, politicization is also reflected in the agenda and the push by major countries for the formation of a climate regime through their interactions. While low-carbonization of the global economy and international low-carbon competition are bringing changes to national interests, these changes will not necessarily translate into breakthroughs in international negotiations. In fact, countries will not naturally compromise even if they consider low-carbonization part of their interests.²⁸ Were it not for major countries' mutual compromises on key issues of conflict, for example the interpretation of CBDR-RC and an effective distribution system of emissions reduction obligations, there would be inconsistency

26 Robert O. Keohane and Joseph S. Nye, Jr., "International Interdependence and Integration," in Fred I. Greenstein and Nelson Polsby, *Handbook of Political Science*, Vol.8, Reading, Mass.: Addison-Wesley, 1975, p.397.

27 Hans Morgenthau, *Politics among Nations*, New York: Alfred Knopf, 1978, p.29.

28 Lynette Ong, "The Apparent 'Paradox' in China's Climate Policies," *Asian Survey*, Vol.52, No.6, 2012, pp.1138-1160.

between multilateral negotiations and national behavior in global climate governance. What then made the Paris Climate Conference a success? The key to resolving the North-South normative conflict has been a reshaping of the perceptions of both sides: developing countries needed to soften their position on the principle of the South being exempt, and developed countries needed to lower their excessively high emissions reduction requirements for major developing countries.

Responsibility sharing and voluntary emissions reduction

The climate governance deficit caused by the Kyoto dilemma has brought about a gradual transition of normative perception within the North and South blocs. With development levels and adaptive capabilities to climate change widening among countries, division is emerging within both blocs. The small island states and the least developed countries, which are least adaptive to climate change, are most dissatisfied with the Kyoto dilemma, and urge a radical reduction arrangement, which makes the BASIC group, established in 2009 and composed of Brazil, South Africa, India and China, in the minority. At the same time, some major developing countries, represented by Brazil, started initiating a global reduction system that includes developing countries (the “Brazil plan”).²⁹ Thus, the developing countries bloc, originally embodied by the “G77+China,” is divided.³⁰ The change in perception within the South bloc imposes tremendous pressures on emerging major countries such as China and India. Some research has found that the BASIC countries, which should have shouldered the mission to rival the developed countries, are usually ambiguous when they talk about the distribution principle with regard to their own reduction obligations, which indicates that major developing countries have embraced an identity

29 At the Warsaw Climate Conference in 2013, Brazil proposes an emissions reduction arrangement that includes all countries based on historical responsibilities and scientific facts. See Dave Keating, “Climate Action Goes National,” *European Voice*, November 28, 2013.

30 Sun Xuefeng and Li Yinzhu, “China-G77 Cooperation Framework on Climate Change,” *International Politics Quarterly*, Issue 1, 2013, pp.88-102.

different from other developing countries.³¹ It is on this basis that the climate negotiations after the Copenhagen Climate Conference have gradually discarded the simplistic dichotomy between developed and developing countries and defined “common but differentiated responsibilities” with consideration of different national circumstances.³²

Meanwhile, some developed countries, represented by the United States and Japan, have started to construct a new, voluntary and bottom-up GHG emissions reduction pattern, and put it on trial in some mini-lateral mechanisms. In this governance pattern, countries, based on the current calculation methodology of carbon emissions, voluntarily commit themselves to an amount of emissions reduction in a certain period. These commitments are not legally binding. This stands in stark contrast to the compulsory emissions reduction within the framework of the Kyoto Protocol, and it became the principle for cooperation in the US-led Asia-Pacific Partnership on Clean Development and Climate (APP), namely voluntary participation and voluntary action. Although the APP’s practice encountered strong criticism from the European Union and various related organizations on climate governance, it received welcome from major developing countries. From the perspective of norm construction, the APP succeeded in wooing developing countries’ participation and enhancing the promotion of voluntary climate governance practices.³³ Even after 2013 when the APP announced it was ceasing its activities, most climate clubs, typically the CEM, followed the APP’s organizing principles. On multilateral levels, the global climate governance after the Copenhagen Conference has started to emphasize common emissions reduction by all countries, and proposed a bottom-up

31 Kathryn Hochstetler and Manjana Milkoreit, “Responsibilities in Transition: Emerging Powers in the Climate Change Negotiations,” *Global Governance*, Vol.21, No.2, 2015, pp.205- 226.

32 For the development of CBDR-RC discourse in multilateral negotiations, see Lv Xuedu, “An Interpretation of the Outcomes of Durban World Climate Conference and the Challenges Faced by China in the Future,” *Yuejiang Academic Journal*, Issue 2, 2012, pp.39-40; Zhu Songli, “Analysis of the Outcome of Lima Climate Conference,” *Energy of China*, Issue 1, 2015, pp.10-13; Matt McGrath, “UN Climate Deal in Peru Ends Historic North-South Split,” BBC, December 14, 2014, <http://www.bbc.com/news/science-environment-30473085>. Also see Articles 2(2), 4(3), 4(4), 4(19) and 13(12) of the Paris Agreement.

33 Jeffrey Mcgee and Taplin Roslyn, “The Asia-Pacific Partnership and Market-Liberal Discourse in Global Climate Governance,” *International Journal of Law in Context*, Vol.10, No.3, 2014, pp.338-356.

reduction pattern.

Promotion by China and the US and legalization of new principles

The dissemination of norms is usually in need of strong and proactive advocates. In disseminating the principles of responsibility sharing and voluntary emissions reductions, China-US cooperation has played a vital role. Admittedly the two countries' change of attitude toward climate governance from passive to active has been influenced by the abovementioned transition of the interest structure and normative background, but the common pursuit of leadership in global climate governance by both countries has also been critical in promoting their bilateral cooperation. Through their innovation of concepts, setting of an example and coordination, China and the United States created conditions for the success of the Paris Conference well before it was convened.

First, China and the United States led the reinterpretation of the CBDR-RC principle. The China-US Joint Announcement on Climate Change reached on November 12, 2014 in Beijing was good news before the 2015 Paris Conference. The two sides, in their announcement, committed themselves to reaching an ambitious 2015 agreement that reflected the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances,³⁴ which softened the North-South divide over the CBDR-RC principle and paved the way for building a new foundation. Based on the consensus between China and the United States, the wording of the CBDR-RC principle at the 2014 Lima Climate Conference was consistent with the China-US Joint Announcement, which attested to the important contributions the two countries made to the

China-US coordination has injected indispensable political leadership into multilateral climate negotiations, and was a key driver of the success in Paris.

34 "U.S.-China Joint Announcement on Climate Change," The White House, November 12, 2014, <https://www.whitehouse.gov/the-press-office/2014/11/11/us-china-joint-announcement-climate-change>.

Lima Conference.³⁵

Second, China-US coordination has injected indispensable political leadership into multilateral climate negotiations, and was a key driver of the success in Paris. Based on their joint resolve to restructure the vital political issue of the CBDR-RC principle, China and the United States declared in the Joint Announcement their respective goals in combating climate change: “The United States intends to achieve by 2025 an economy-wide target of reducing its emissions by 26-28 percent below its 2005 level and to make best efforts to reduce its emissions by 28 percent. China intends to achieve the peaking of CO₂ emissions around 2030 and to make best efforts to peak early and intends to increase the share of non-fossil fuels in primary energy consumption to around 20 percent by 2030.”³⁶ Although the political meaning of these goals outweighs their practical significance, and from a global standpoint the goals still do not live up to what climate activists expected,³⁷ politically speaking the United States has returned to the way of quantitative emissions reduction after all, and China for the first time announced a quantitative reduction target, which set an example for other developed and developing countries. On September 25, 2015, at a joint press conference with visiting Chinese President Xi Jinping, US President Barack Obama said, “When the world’s two largest economies, energy consumers and carbon emitters come together like this, then there’s no reason for other countries – whether developed or developing – to not do so as well.”³⁸

Multilateral climate negotiations have for a long time been a tug of war among various blocs, including the Umbrella Group, the European Union, the four BASIC countries, the Like-Minded Developing Countries (LMDC),

35 Lv Xuedu, “Assessment on Achievements of Lima Climate Conference and Perspectives on Future,” *Progressus Inquisitiones de Mutatione Climatis*, Issue 2, 2015, p.140.

36 “U.S.-China Joint Announcement on Climate Change.”

37 John Mitchell and Beth Mitchell, “Paris Mismatches: The Impact of the COP21 Climate Change Negotiations on the Oil and Gas Industries,” Research Paper, Chatham House Energy, Environment and Resources Department, August 2016.

38 “Remarks by President Obama and President Xi of the People’s Republic of China in Joint Press Conference,” The White House, September 25, 2015, <https://www.whitehouse.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>.

the Alliance of Small Island States (AOSIS) and “G77+China.” As a result, for negotiations to move forward, countries that are capable of coordinating the positions of various blocs and willing to conduct active diplomacy, are badly needed, and China and the United States, especially the former, thus play pivotal roles. Since the 2014 Beijing Asia-Pacific Economic Cooperation summit, China has joined hands with many major parties, including the United States, France, the European Union, and India, and announced a series of action plans and statements to combat climate change.³⁹ These laid a solid foundation for the Paris Agreement.

China’s Policy Options

The structural defects in the Kyoto model have necessitated a renewal of global climate governance, and realizing the renewal is dependent on the efforts of multiple political forces. The failure of the Kyoto model has ushered in changes to the international political and economic environment, and led various actors and key countries to jointly conduct governance innovation, namely the push for a low-carbon global economy and normative transition of global climate governance. These changes have disentangled the Kyoto dilemma, and created the necessary conditions for new developments in the multilateral climate regime.

The significance of the Paris Agreement lies in its reflection and strengthening of the general trend of global climate governance transition: low-carbon competition and cooperation have replaced compulsory emissions reduction; global responsibility sharing and voluntary emissions reduction have replaced the South being exempt as new definitions of the CBDR-RC principle; and there are now higher requirements for multiple kinds of international leadership on multiple levels – domestic, transnational, mini-lateral and

39 These include the China-UK Joint Climate Change Statement in June 2014, China-India Joint Statement on Climate Change in May 2015, China-Brazil Joint Statement on Climate Change in May 2015, China-EU Joint Statement on Climate Change in June 2015, and China-France Joint Presidential Statement on Climate Change in November 2015.

multilateral. These transitions bring opportunities to China along with challenges. Traditionally, China's role in global climate governance is relatively conservative, and China's focus was insisting on the principle of the South being exempt. This pattern has obviously fallen behind the reality. The profound transformation in global climate governance reflected in the Paris Agreement requires China to actively adapt to changes in the international environment, and grasp the opportunities to take the lead on the climate issue.

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As global economic low-carbonization is irreversible, it is even more important for China to promote the low-carbon transition of its economy. On one hand, it is necessary for it to adapt to the low-

carbonization of supply chains in international trade, as economies with higher emissions reduction requirements are able to drive up global carbon emissions standards through the "California effect,"⁴⁰ Chinese enterprises must be well prepared for this future market trend. On the other hand, since a low-carbon global economy is still in its initial phase and many technologies, institutions and rules are all yet to be established, China and the Western countries are almost on the same page, giving China better opportunities to realize economic competitiveness. China can make full use of the pattern of "pilot and promote," which was established in its reform and opening-up process and proved successful, to conduct policy innovations in low-carbonization and surpass the Western countries in the development and dissemination of a low-carbon economy, technologies and policies. For example, the "pilot and promote" pattern has been effectively applied to the building of China's carbon trade market. On one hand, the policy incentives from the central government have instilled strong innovative enthusiasm in local governments;

40 The "California effect" refers to the promotion of low-carbonization and emissions reduction after California passed the Global Warming Solutions Act in 2006 and California Governors issued Executive Orders to limit its emissions level by 2020 and 2050 respectively. See Geoffrey M. Morrison, Sonia Yeh, Anthony R. Eggert, et al., "Comparison of Low-Carbon Pathways for California," *Climatic Change*, Vol.131, Issue 4, August 2015, pp.545-557.

on the other, local authorities have both the willingness to introduce and digest the successful experiences of the West and a desire to innovate policies and build their own carbon trade market so it becomes the benchmark for the national market. The series of positive interactions will make the establishment of China's carbon market faster and better than the European Union's carbon market. In the future, China will obviously be in a more competitive position when gradually integrating with the carbon markets of other areas.

Multilaterally, the leadership of China, which has inherent political advantages for leading the multilateral climate regime, is also very critical. For one thing, China is the largest developing country in the world and also hosts an economy whose energy consumption is highly dependent on coal. China's active participation and good performance in global climate governance even under the onerous burden of economic development has won it high authority and a good reputation. For another, China belongs to various climate negotiation blocs. Within developing countries, China can coordinate the positions of both major developing economies through the BASIC mechanism, and the least developed countries through the "G77+China" mechanism. At the same time, China has been working in pace with the United States and the European Union through bilateral cooperation. China's identity as a developing country had for a long time constrained the leadership it could have played. But China's intense bilateral coordination facilitated the Paris Agreement, whose text was first negotiated between China and the United States, and then confirmed through talks among different blocs. Therefore, China serves as a stronger example than the European Union in global climate governance, and enjoys a higher reputation than the United States, thus it has the advantage in winning the discourse on the issue. Yet while being an example and having the capacity to coordinate are important, conceptual and institutional innovations are also indispensable for leadership. China should construct its own normative discourse based on its practices. 🧩