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The changing climate and the future of democracy

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Introduction

This paper is written for the Forum for the Future of Democracy, Yerevan, 2010, organised by the Council of Europe. Its main purpose is to formulate a set of questions on the relationship between the environment, and more specifically climate change, and the medium and long term future of democratic governance. The paper does not try to provide definite answers. It indicates however directions of debate which might bring more clarity and lead to more conclusive statements. The paper explores three main areas for further debate:

- What threat might climate change and extreme weather events pose to unstable (and, to some extent, stable) democracies?
- What kind of democratic institutions do we need in order to address these threats effectively?
- Are there new opportunities in the developing low carbon economy that could strengthen democratic governance?

A summer of extremes

In the summer of 2010 Pakistan suffered the worst floods in decades, affecting 20 million people, costing (according government estimates) \$20 billion, destroying 1.2 million homes, 7,000 schools, over 400 health facilities and damaging 14% of agricultural land. Commentators suggest that if Pakistan has one flood like this every 20 years it would never be able to move above its current economic level.

Russia suffered unseen devastation from forest fires. The country lost 25% of its grain production and 1 million hectares (officially) of forest were destroyed. Russian economic output is expected to drop \$15 billion. Some environmentalists claim that the cost of the lost forest could reach the astronomical sum of \$300 billion. Dozens died in the fires but the real death toll is much higher – according to some estimates the heat waves and smog probably killed between 7,000 and 15,000 people.

Floods destroyed parts of south-west Poland and eastern Germany killing dozens. The floods were followed by a heat wave that broke all temperature records in many places in Central Europe.

In August heavy rains in the north-western Chinese province of Gansu led to a landslide which killed 1,400 people. Another 300 were missing. Then the floods in north-eastern Liaoning province left 1,500 dead and hundreds of thousands homeless.

The list goes on. The summer of 2010 was unusual. Does this mean that climate change has finally hit us?

Scientists are cautious – individual weather events, no matter how extreme, should not be seen as proof of global climate change. They can occur naturally, they can coincide and they can happen in one year with unusual frequency and strength. Whether or not the weather events in 2010 are attributable to climate change, they undoubtedly give us an important insight into what the world might look like in the not very distant future.

Challenges to democratic governance

Democracy is a fragile state of governance which is constantly threatened even in the most established democratic societies. Its worst enemies are sudden, extreme external events. A war, a terrorist intervention, an assassination or a flood can start shaking long established democratic practices and even institutions. Extreme events require emergency responses. They can rarely be tackled by extensive debate and democratic legislative process. Extreme events are the best justification for military intervention and dictatorial solutions.

Frequent extreme weather events and sudden severe food and water shortages will place an enormous strain on established economies and democracies. They can be devastating for emerging market economies and the still unstable democracies.

The Nicolas Stern “Review on the Economics of Climate Change” estimates “that if we don’t act [to mitigate climate change], the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more.”

The Russian fires wiped out only 1% of Russian GDP and only in one single year. Nonetheless they led to a ban on grain export, a rise in grain prices around the world, death and public discontent. Vladimir Putin had to fly a fire fighting plane in a carefully controlled PR TV stunt in order to reassert his leadership image.

During the floods in Pakistan it was the army and extremist groups which were most visible in the rescue efforts. In the words of a Pakistani analyst (Salim Bukhari) “The army has stolen the show.” At the same time groups associated with terrorist organisations were filling the gap in the relief effort left by the civilian government. The Telegraph newspaper reported: “Widespread anger poses a serious threat to the already struggling government, which is now competing with Islamist movements to deliver aid to the north-western Pakistani region which already has a strong Taliban presence.”

Natural disasters shake weak governments and open opportunities for extremist organisations to parade their “population protection” credentials.

Imagine the strain of the forest fires of 2010 on the Russian economy multiplied by five (it might be impossible to imagine it multiplied by 20). Imagine also this strain being constant, year after year after year. And now imagine the same scale of devastation occurring in most countries around the world. The pressure not only on democratic practices but even on basic democratic values will be unsustainable. The functioning of democracy will be widely questioned.

There have been numerous discussions on the impact of climate change on national security. The war in Darfur has been named the first climate war. Many commentators saw that conflict as predominantly triggered by the declining water supply. This view has its critics but it is a position that should be researched in more depth and detail.

Hurricane Katrina triggered increased interest in the impact of extreme weather events on national security. I should stress again that the hurricane Katrina is not a proof of climate change but it is an illustration of the potential impact of extreme climatic events. Katrina killed more than 1,800 people and caused damages of over \$80 billion. It was also a severe blow to the reputation of George W. Bush as public opinion, as in Russia and in Pakistan in 2010 and in Greece in 2007 and in many other cases, blamed the government for inadequate response.

In its report “National Security and the Threat of Climate Change”¹ the US Centre for Naval Analysis makes the following conclusions (among others):

- Climate change acts as a threat multiplier for instability in some of the most volatile regions of the world;
- Projected climate change will add to tensions even in stable regions of the world.

In a joint article Lord Levene of Portsoken (Chairman of Lloyd's of London) and Anders Fogh Rasmussen (Secretary General of NATO) said “We share a common goal – to adopt a fresh approach to managing risk and three risks in particular: cyber-security, piracy and climate change. These are not entirely new problems. What is new is the scale and the cost...Climate change is, of course, the biggest risk of all.”²

In 2007 the Security Council held its first debate on climate change.

Discussion points in this context include:

- Climate change will put an enormous strain on unstable, as well as stable, democratic regimes;

¹ www.securityandclimate.cna.org/report/

² www.nato.int/cps/en/natolive/news_57793.htm?selectedLocale=en

- When we discuss climate change mitigation and adaptation we should also discuss how we can preserve local, national and international democratic institutions in an environment of frequent extreme weather events.
- the negative impact of climate change on democracy will significantly increase the risk of conflict, poverty and further deterioration of democracy. In this way climate change can have a reinforcing impact not only on environmental phenomena but also on politics. We might have to deal not with a linear deterioration of living standards, wealth and social structures but with tipping points beyond which democracies could completely collapse.

Creating global democratic governing solutions

After the Copenhagen UN Climate Change Conference 2009 (COP 15), China has been portrayed by many as the villain of the negotiations which had raised such high expectations in the international community. At the Conference China spoke on behalf of the developing world and stubbornly defended its own economic interests.

China has become a textbook case for the aggressive player in the new low carbon economy competition raising envy and admiration for its astronomic investments in new energy solutions. However we rarely credit the positive impact on the global development of a low carbon economy which the Chinese are making. Furthermore the engagement of significant sectors of the Chinese political and business community in low carbon strategy development and the exchange of technology is creating a level of international cooperation that might not previously have been expected from a one party state. Many other countries with questionable democratic credentials are also actively involved in the international efforts to address climate change.

We often think of democracy in terms of minority rights, national governments' accountability, functioning national parliament, fair local elections and media freedom. Climate change negotiations however are bringing additional perspectives to the democratic debate by raising the question of global democracy.

No other issue has ever brought the world together in the way the ubiquitous challenge of climate change has. The Copenhagen Conference will be remembered in history for at least one thing – it gathered in one place the largest ever number of heads of state. In a way Copenhagen demonstrated that the urgency, the complexity and the dimension of the problem of climate change has not yet found its adequate institutional response.

The world however is quickly moving toward a new way of working, focused on global governing solutions which will be substantially different from organisations such as the United Nations or the more specialised ones like the World Trade Organisation or World Health Organisation or organisations like the World Economic Forum or the World Social Forum. At the moment climate change is addressed as an issue requiring high

priority by the UN. This arrangement however is like boiling water in a paper cup – possible but unsustainable.

Climate change must be addressed on a global scale. The issues of fairness, representation, human rights, poverty and gender are frequently at the centre of debating a possible global climate deal. One of the most difficult points in the international negotiations is accountability. Hundreds of billions of dollars are also at stake. The funding for climate mitigation and adaptation which the developed countries will provide are unlikely to follow the fate of aid money that often support corrupt governments rather than provide humanitarian relief. Imposing stringent accountability and monitoring procedures could lead to more responsible national governments (much in the way EU membership forces new EU member states to follow transparent financial procedures).

Discussion points in this context include:

- Climate change, with all its threats, opportunities and international complexity, creates new global governance practices different from anything seen before.
- Does the United Nations have the capacity to deal with these new demands or do we need a new institution?
- Can the problem be addressed by a single global institution or do we need an open network of bilateral and multilateral agreements and bodies that can address the economic, environmental, security and other challenges of climate change?
- Climate change will force us to develop fair and responsible international representation which could translate into more accountable and fair national practices

Shift of energy related wealth can change the negative impact of oil on democracy

There are numerous studies and much anecdotal evidence about the negative effect of oil on democracy. Simply speaking the general correlation is “more oil, less democracy”. The reasons behind this correlation are complex but to a large extent they are linked to the way governments collect revenue. In oil rich countries the revenue collection bypasses the citizens so governments have substantial income without personal taxation which breaks one of the most reliable links for government accountability. Analysts call these types of states “rentier states” since the majority of their income comes from external rents. Some analysts also place countries that are heavily dependent on foreign aid in this category.

Chad is one of the many examples of what commentators like to call the “oil curse”. In 2000 the Chad government persuaded the World Bank to support a \$4.2 billion pipeline which made it possible for Chad to develop its oil industry. The agreement was based on a

commitment for most of the oil revenue to be spent on national development projects. In fact most of the oil revenue went to support the incumbent regime. Chad's military spending rose from \$14 million to \$315 million in less than one decade. The effect on poverty has been negligible and on democratisation – negative.

Should the World Bank support oil projects? Should international financial institutions support carbon fuel development in poor countries? Many campaigners suggest that they should not. Usually campaigners' arguments are environmental or related to carbon emissions. Extracting industries destroy natural habitat and lock economies into a carbon intensive development path. The counterargument is that "poor countries need independent sources of revenue". However in many cases the exploitation of oil and mineral wealth underpins the deterioration of democracy, leads to increased poverty and to the strengthening of military regimes.

Should the World Bank, and the developed world in general, not reconsider their approach to supporting energy projects in poor countries? Should the developed world not instead support renewable energy projects leading to high levels of income decentralisation which would destabilise the phenomenon of "rentier states"? This argument is closely linked with the climate adaptation and mitigation efforts of the international community. The good news is that the democratisation aspiration of the developed countries might fully coincide with the need for greater investment in climate mitigation measures – reducing carbon fuel use and increasing renewable energy sources.

If we move beyond the oil and mineral rich exporters we can see also another phenomenon –foreign aid dependency, which is fertile ground for corruption on a grand scale. Here again part of the reason can be found in the lack of fiscal relationship between government and citizens and the attitude of autocratic and corrupt government is that "this is not your money anyway". Similar phenomena could be detected in some countries with centralised energy generation assets (coal and nuclear power plants) which create opportunities for corruption.

Green energy has economic characteristics substantially different from oil and other centralised large-scale energy resources. As a number of studies supported by the European Climate Foundation show³, green energy has a positive impact on job creation, often linked with improvement of housing standards. Renewable energy has also a strong entrepreneurial and decentralising capacity. Recently the consultancy firm Boston Consulting Group published a study entitled: "Toward a Distributed-Power World: Renewables and Smart Grids Will Reshape the Energy Sector"⁴. Distributed power is a model in which a large number of different power sources, which could mean virtually every house, are connected into a network in which consumers are also producers. There is even a new word for this phenomenon "prosumer".

³ www.europeanclimate.org/

⁴ www.bcg.com/documents/file51254.pdf

This phenomenon is by no mean restricted to developed and technologically advanced countries. As the slogan of Solar Aid⁵, a charity that supports the establishment of small solar energy enterprises in poor communities in Africa and Latin America, appeals “Fight poverty with enterprise”. Solar Aid demonstrates how renewable energy can not only provide electricity to poor communities not connected to the grid but it can also provide (a) highly decentralised entrepreneurial opportunities and (b) free economic development from central energy dependency.

Discussion points in this context include:

- how will governments, international organisations and business react to the decentralisation and democratisation opportunities that renewable energy is rapidly bringing into our world?
- Will they channel some of the international climate funds into entrepreneurship in developing countries in a way that will develop democratic capacity?
- How can the new opportunities be protected from the government and business powers that might lose influence over their citizens and consumers?

Conclusions

The future of democracy is closely linked with the future of our climate. We should research and debate in depth and detail this relationship in order to develop adequate democratic and global institutional solutions. At least three notions should be discussed further:

- Extreme environmental events can have strong negative impact on democratic governance.
- We need new types of efficient, reliable and credible democratic international institutions that can address the risks of increased frequency and magnitude of extreme weather events.
- Measures to mitigate climate change can have a double democratisation effect – first by reducing the risk of extreme weather events and, second, by promoting entrepreneurial decentralisation of energy generation.

⁵ www.solar-aid.org/

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