

REPORT PREVIEW:

**Together Alone: Brazil, South Africa, India, China (BASIC)
and the climate change conundrum**

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This is a short preview of SEI's forthcoming report, *Together Alone? Brazil, South Africa, India, China and the climate change conundrum*, due for publication in August 2011. This summary is purposely short, pointing to issues raised rather than presenting answers. If you would like to receive a hard and/or electronic copy of the report, please write your name, email address and/or postal address on one of our sign-up sheets, or simply drop your business card in one of our boxes. You may also visit our website, www.sei-international.org, to download a related series of policy briefs on the BASIC countries published in December 2010.

Introduction: Why look at BASIC?

This project is a quest to better understand how the emerging BASIC powers approach international negotiations as a group. Are they obstructing progress, or do they represent a constructive force in the international system in general, and in the climate negotiations in particular?

The BASIC countries – both individually and collectively – are interesting for several reasons:

- As they play increasingly larger roles in climate negotiations and in international politics overall, understanding the motives that drive them could help others engage with them more effectively.
- By coming together in a group of their own, these emerging economies are distinguishing themselves from both industrialized and poorer developing countries, yet they are also keen to voice their allegiance to the wider G77 collective. The way the BASIC countries position themselves reflects the fluidity of their position, between developing and developed countries.
- After Copenhagen, many, particularly in the West, have seen the BASIC as a reactive force, which oversimplifies its role. Understanding BASIC better is crucial for both Annex 1 and G77 countries.
- For developing countries, BASIC provides important leverage in relation to the industrialised countries. This has changed the negotiating playing field, where a single set of norms no longer dominates. Instead different values and different priorities create different outcomes.
- While they often work together, the BASIC countries are four separate individuals with different policy priorities and strategies. This leads them to be partners on some issues, but not others. A better understanding of what these issues are – and how they fit with the countries' individual perspectives – could lead to more successful negotiations.

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Origins of BASIC

Many seasoned observers expressed surprise at the emergence of the BASIC group –Brazil, China, India and South Africa – and its unity during COP15. In the decisive days of Copenhagen, the four countries coordinated their positions on “an hourly basis,” according to Indian Environment Minister Jairam Ramesh. Their tight, functional cooperation in the heat of the chaotic COP15 showed a greater level of unity than had been usual in South-South climate diplomacy, such as issuing joint statements before a key conference.

Two key factors help explain the BASIC countries’ bond: The first is their membership in the G77 group of developing countries, where they have all played key roles for decades and where strands of a common identity have been formed. The second is the increasing rise of these countries in world economic and political affairs, triggering concerted efforts by industrialised countries to impose an obligation for GHG emission reductions on the larger emerging economies, particularly China and India, and to link this obligation to a future global climate agreement. Together, these two factors have drawn these countries together at COP15 and since.

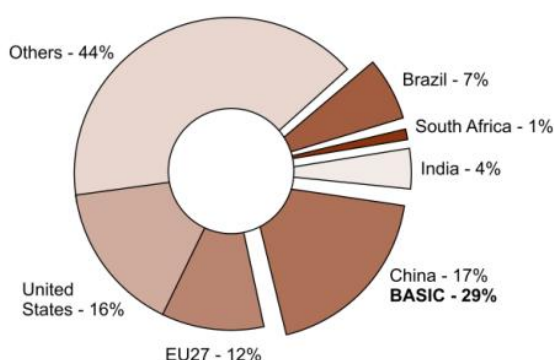
A weighty group

Together, the four BASIC countries represent roughly 40 per cent of the world’s population, and each is indisputably a regional power. South Africa’s economy contributes around 31 per cent of Sub-Saharan Africa’s total GDP; Brazil accounts for 38 per cent of GDP in Latin America and the Caribbean, and India accounts for 80 per cent of GDP in South Asia. China, with a population about 200 million more than India’s, its 35 per cent contribution to GDP in the East Asia and Pacific region, and its permanent seat on the UN Security Council, is a developing country superpower.

It is not only these countries’ economic rise that has drawn the attention of industrialised countries. All four BASIC countries have substantial and fast-growing greenhouse gas emissions, and in absolute terms (total tonnes per year), China is now the world’s largest GHG emitter. In 2005, the four BASIC countries collectively accounted for nearly 60 per cent of the total annual GHG emissions from non-Annex 1 countries and almost 29 per cent of total global emissions – of which China alone produced almost 17 per cent.

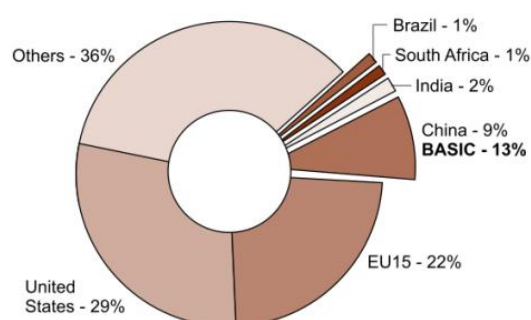
However, on a per capita basis, the four countries’ emissions remain relatively low compared with industrialised countries, averaging 5.4 tons of CO₂e per person in 2005 (excluding LULUCF). In terms of historical emissions, the BASIC countries’ contribution is also relatively low: 13 per cent of cumulative emissions up to 2007. Yet the rate of growth in the BASIC countries’ emissions is high, and within climate negotiations, what has set China, India, Brazil and, to some extent, South Africa apart is their projected future emissions growth. Figures 1-4 illustrate these different perspectives on the BASIC countries.

Figure 1: Total GHG emissions, 2005 (all gases, including LULUCF)



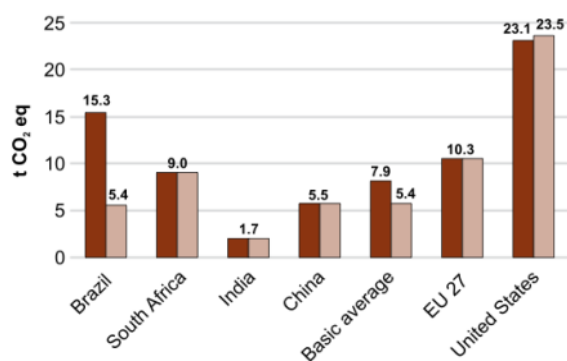
Source: World Resources Institute, CAIT 8.0.

Figure 2: Cumulative (historical) CO₂ emissions to 2007



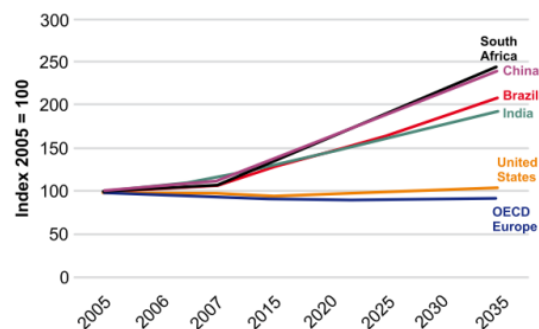
Source: World Resources Institute, CAIT 8.0.

Figure 3: Per capita emissions, 2005
(left column includes LULUCF)



Source: World Resources Institute, CAIT 8.0.

Figure 4: CO₂ proportional projections to 2035



Sources: U.S. Energy Information Agency (2011), International Energy Outlook 2010, Table A10, and Winkler, H. (2007), Long Term Mitigation Scenarios: Technical Report.

The BASIC countries as individuals

The BASIC countries are not a homogenous set of emerging economies, but four very different individuals whose climate diplomacy is determined by unique sets of domestic and foreign-policy considerations. To understand the formation, cooperation and wider context of the BASIC group, it is crucial to understand what values each country brings to the negotiation table, and in which domestic context these values were constructed. Those values are the foundation on which the BASIC cooperation is built on, and ultimately determine the direction of this joint venture. Below are some key policy drivers for each country:

For **Brazil**, climate change has long been regarded as primarily an international relations issue. As a result, the Brazilian position in international climate negotiations has traditionally focused on three issues: 1) stressing each country's sovereign right to national development; 2) opposing any suggestion that the Amazon rainforest be put under international control for its protection; and 3) emphasising industrialised countries' historical responsibility and obligation to compensate for their emissions to date.

This stance, however, has gradually changed since COP12 in Nairobi in 2008, when Brazil for the first time engaged in talks about international agreements regarding forests. Since then, the country has expressed a willingness to make national commitments that extend any international agreements. These changes are explained by a new international context but, perhaps more importantly, by changes in the domestic political landscape. It still remains unclear how this will influence the country's position in international negotiations.

South Africa is widely seen as playing a "bridge-building" role between industrialised and developing countries in climate negotiations. This is driven partly by a desire among the country's post-apartheid leaders to promote South Africa as a responsible actor, a stable economy and a platform for foreign investment in Africa. However, President Jacob Zuma's voluntary emissions reduction pledge at COP15 in Copenhagen was seen domestically as the country "punching above its weight" in global mitigation actions.

This reaction can be understood by looking at the domestic challenges the country faces. Economic and political constraints make coherent domestic climate policy difficult to implement. Expanding energy access has become an urgent political priority, while the dominant minerals-energy complex sets powerful corporate interests and potentially the labour movement against ambitious efforts to tackle GHG emissions.

India has for a long time been seen by other parties as playing a defensive and largely reactionary role in international climate change negotiations, promoting the argument that the onus for action lies with industrialised countries and steadfastly refusing to countenance any form of international commitment to constrain its own GHG emissions. However, since 2009 India's approach to international climate diplomacy has been shifting towards more constructive engagement with international partners and the UNFCCC negotiations. This is the result of new actors taking responsibility for India's international stance.

Indian climate diplomacy is now being woven into wider foreign policy objectives, particularly its strategically important relationships with the United States and China. A desire to foster these relationships

has motivated India to introduce some flexibility to its previously fixed negotiating positions. Although Indian cooperation at the international level has increased in the last year, the ideological norms that underpinned India's traditional stance in negotiations are still highly influential domestically. Furthermore, the structure of the energy and industry sectors makes tackling GHG emissions challenging, both technically and economically. Both these factors will continue to constrain how far India can move in committing to emission reductions at the international level.

Ever since becoming a party to the UNFCCC in 1994, **China** has made a name for itself as a recalcitrant player, known for its reluctance to follow the rules of the game. A recent example comes from COP15, where China is known to have coordinated much of the procedural obstructionism led by G77 President Sudan. Additionally, since China overtook the U.S. as the world's largest emitter of greenhouse gases in 2006, it has faced increasing expectations to further its mitigation efforts, make them more transparent, and commit its domestic efforts to an international regime.

Climate diplomacy has consequently gained importance on the foreign policy agenda, and its positions have shifted on some issues. However, even as China seeks to be seen as a responsible actor, it remains committed to not letting international engagements interfere with domestic development. The main tradeoffs are gauged in relation to the harm climate change causes to development, the cost of action versus inaction, and the opportunities brought about by low-carbon development in terms of clean technology, export competitiveness and innovation. China's behaviour in the climate regime is thus largely a factor of striking a balance between domestic pragmatism and principled foreign policy strategies.

The wider geopolitical context

To see BASIC as just another G77 subgroup, alongside the Least Developed Countries, the Alliance of Small Island States and others, is to misunderstand the group's nature. Instead, BASIC is a more informal alliance, overlapping with others, that focuses on a range of strategic purposes – most consistently the growing demands for a stronger say in world politics.

India, Brazil and South Africa already work together within the IBSA Dialogue Forum, while Brazil, Russia, India and China have come together as BRIC. The amorphous and potentially overlapping nature of these groupings was illustrated in April 2010, when the IBSA and BRIC summits were scheduled back to back. First the IBSA leaders met and agreed to launch micro satellites for education, agriculture and weather. Then South Africa left the meeting, and China and Russia joined Brazil and India as BRIC to call for reform of the International Monetary Fund and World Bank and for G20 to assume leadership of the global economic order. After this, the meeting morphed into BASIC as Russia left, South Africa returned, and the discussions turned to climate change.

The BASIC group shares the traits of IBSA and BRICS (as it has been renamed since South Africa joined the group in 2011) as loosely organised political clubs of emerging powers with vastly different domestic dynamics and divergent, often conflicting, global ambitions. This suggests that while BASIC ostensibly deals with climate change in content, its *raison d'être* may well be broader – which means the countries could disagree on some climate change issues, but still collaborate in the foreseeable future.

Given the fluidity of international relations, however, BASIC may as well prove to be a temporary constellation that served particular purposes at a very important juncture. China's growing dominance could make it a challenging partner for the other three. Or there could be opportunities for any of the BASIC partners to maximize broader diplomatic and geopolitical benefits through other relationships.

BASIC in the climate negotiations

Since COP15, the BASIC group has met regularly, suggesting that the quartet is committed to continuing this cooperation. The issues they have – and have not – worked on give some insight into the motives behind the cooperation, and raise questions about what kind of role they as a group are likely to play as the UNFCCC negotiations move forward.

Two clear patterns can be derived: First, in all statements, BASIC calls for a second commitment period of the Kyoto Protocol, meaning that the institutionalised differentiation on mitigation responsibilities between developed and developing countries (with no further distinction between different developing countries) would remain beyond 2012. The second pattern evident in BASIC's joint statements is an effort to build bridges and show support towards the rest of the G77. The group has discussed setting up a funding

mechanism to help the smallest and poorest developing countries, and has repeatedly stated that the fast-start finance pledged in the Copenhagen Accord should be used to assist the poorest developing countries. One specific issue that has been on the BASIC agenda is that of equity. Equity and carbon budgets have been the subject of several technical workshops.

Yet although the BASIC countries were united in dismissing the proposed carbon budget at Copenhagen, it has become clear from the workshops in 2010 that they have diverging views on what equity means and how it should be interpreted within the negotiations. This has a lot to do with the different domestic contexts that each country faces. For instance, for India – whose per capita emissions are much lower than the other three and on par with many of the LDCs – equity has traditionally been framed in per capita terms, combined with principles of historical responsibility and capacity to pay. Brazil and China – which have higher per capita emissions, even though still well below most industrialised countries, particularly China – instead emphasise historical responsibility for GHG emissions as the key underlying principle.

Given the diversity of views within BASIC on how equity might be institutionalised and the fact that many consider the issue of equity to be intractable in UNFCCC negotiations, it is curious why the group has chosen to focus on equity and not on other issues where more tangible progress might be possible. This raises the question of whether BASIC discussions might yet lead to any concrete results that can spill over into the international negotiations.

Some of the difficulties BASIC countries are having in coordinating positions came to the surface during COP16, which also showed that individual members of the quartet are willing to put one another in difficult positions to push for individual issues of importance.

One primary disagreement – most notably between China and the rest (although India is still with China to some degree) – is on whether all major GHG emitters (i.e. the emerging economies as well as the A1 countries) should be subject to legally binding emission reductions in a future international agreement. In Cancun, South Africa and Brazil gave hints of being open to legally binding emissions for major developing countries, and India for the first time opened up to the possibility of accepting legally binding commitments. China, on the other hand, gave no such indication and appears to be least willing to discuss the prospect of all major emitters taking on mandatory emission reductions.

While the high-level meetings and technical discussions signal an indisputable willingness to cooperate, the lack of outcomes so far suggests that it has proven difficult for the BASIC countries to reach common negotiating positions. It also seems that they agree on broad principles, but so far have been unable to settle the finer details needed to make concrete joint contributions to the international negotiation process.