Together Alone? Brazil, South Africa, India, China (BASIC) and the Climate Change Conundrum

Key Findings

• Given the extent of their economic and geopolitical influence, the four BASIC countries will play an increasingly important role in brokering any future international climate change agreement. Among developing countries, they have the political leverage and economic clout that enables them to play hardball with industrialised countries.

• The four stress alignment with the G77 and developing country interests. They argue for continued differentiation of responsibility for emission reductions and remain firm on the principle that more ambitious commitments from industrialised countries in general, and the US in particular, are crucial precursors to a global agreement.

• Major differences in the material circumstances and normative drivers behind each country’s approach to climate diplomacy might create future difficulties for cohesion, unless the spirit of a shared approach is strong enough to foster political compromise within the group.

• Development of common positions makes sense as long as the issues and principles being discussed are in line with national interests and domestic norms. For now, expressing solidarity with the G77 and shared statements about industrialised country responsibilities provides each some shelter from industrialised country demands for greater emission reduction commitments from the four.

• As negotiations drill down to the finer details of an international agreement, the differences between each of the BASIC countries will inevitably come to the surface. Substantive negotiations in COP16 in Mexico may provide a first litmus test of solidarity, and this will certainly increase towards COP17 in South Africa.

Entering the stage in Copenhagen

In November 2009, Brazil, China, India and South Africa announced a joint strategy for the Copenhagen Climate Conference, COP 15. They issued a common set of non-negotiable terms, including a second commitment period for developed countries under the Kyoto Protocol and a demand for increased funding for mitigation and adaptation in developing countries. If these terms were violated, they declared, they would jointly walk out of the conference. During COP15 the four presented a shared draft negotiation text, and in the final 24 hours played a key role in brokering the final wording of the conference’s main political outcome, the Copenhagen Accord.

In January 2010 the 2nd Ministerial Meeting of BASIC Ministers was held in New Delhi, confirming that BASIC co-operation was set to continue. This was followed by meetings in Cape Town in April, Rio de Janeiro in July and Tianjin in October 2010. The meetings have been chaired by the host country and attended by environment ministers, with technical-level workshops running in parallel. A Joint Statement has been issued at the conclusion of each meeting, and although these have not specified firm negotiation proposals nor even articulated an explicit goal of the collaboration, they nonetheless express a commitment to ongoing co-operation.

As a group of powerful emerging economies that play an increasingly visible role in world affairs, it is clear that the dynamics of the group, and the direction it takes, will be of growing impor-
tance for understanding possible pathways for future international cooperation on climate change.

Earlier origins

The origin of BASIC cooperation on climate change goes back further than COP15, and can be explained in part by changing geopolitics, both within the climate sphere and in other foreign policy fora.

In the climate realm, since at least the mid-2000s the four countries have routinely met separately within G77 meetings to analyse developments in climate negotiations and to work on common strategies. This earlier cooperation evolved out of the greater
capacity these countries had amongst the G77 for analysing the increasingly complex developments in climate diplomacy.

The emergence of new fora for climate diplomacy outside the UNFCCC process has created further reason for cooperation between the BASIC group. In 2005, the quartet plus Mexico were invited by the G8 president to participate in the G8 plus 5 Climate Change Dialogue, which brings together the world’s 13 largest greenhouse gas (GHG) emitters; it met most recently in L’Aquila in 2009. In 2009, they joined industrialised countries at the US-initiated Major Economies Forum on Climate and Energy. These institutional shifts reflect a growing international expectation that major emerging economies will play an important role in combating climate change.

A fragmentation of different interests within the G77 bloc throughout 2009 arguably added more glue to bind these four countries together. Fearing isolation – not least in the case of China and India – and aware that their different interests and capacities as emerging economies distinguish them in some respects from the rest of the G77 group, the four countries gravitated towards one another and towards a desire for presenting a “common front”.

**A weighty group**

As a group, the BASIC countries represent roughly 40 per cent of the world’s population. Their share of global trade has grown significantly, to 12.6 per cent of world merchandise exports and 7.6 per cent of commercial exports in 2009. Since the early 1990s, the BASIC countries have all enjoyed higher average economic growth rates than world, US and EU averages. This growth is led by China and India, with average annual GDP growth since 2000 of 10.2 per cent and 7 per cent respectively. The four collectively accounted for 12 per cent of global GDP in 2009 (figure 1).

**Figure 1: BASIC contribution to global GDP (2009)**

Each of the BASIC countries is a regional power. South Africa’s economy contributes around 31 per cent of Sub-Saharan Africa’s total GDP, while Brazil accounts for 38 per cent of GDP in the Latin America and the Caribbean. India, home to around 17 per cent of the world’s population, accounts for 80 per cent of GDP in South Asia. While China’s population is only about 200 million more than India’s, its 35 per cent of GDP in the East Asia and Pacific region, its current position as the world’s largest GHG emitter, and its permanent seat on the UN Security Council make it a developing country superpower.

Within climate negotiations, what has set China, India, Brazil and to some extent South Africa apart is their projected future GHG emissions. Figure 2 shows the BASIC countries’ contribution to historical, current and projected future global GHG emissions.

**BASICally four very different countries**

The BASIC countries are four emerging economies whose pathways have crossed at a critical stretch of their journeys towards modernisation. Yet each has a different domestic...
realities and also approaches climate diplomacy differently. Each is, in its own way, the odd one out.

By sheer size and economic weight, China is in a league of its own. Its political system also entails a different form of decision-making and resource allocation than the other countries, which presents both constraints and opportunities for responding to climate change.

India’s per capita GHG emissions are far below the others, more in line with some Least Developed Countries (LDCs). India ranks 134th in the 2009 Human Development Index, while South Africa is 129th, China is 92nd, and Brazil is 75th. While all four indisputably face development challenges, India’s claim to developing country status is on this scale the most acute.

Unlike its BASIC peers, Brazil’s GHG emissions profile is not centred on the energy sector, since hydro power dominates the country’s energy supply mix. Instead, around three quarters of its emissions come from land use, land use change and forestry (LULUCF), where growth is driven most strongly by agricultural expansion in the cerrado.

In almost all respects South Africa is significantly smaller than the other three, with a GDP that is less than a quarter of India’s and 6 per cent of China’s, and its total emissions reflect this. However, where it looms larger is in per capita emissions, its contribution being significantly higher than its BASIC peers and on par with those of the EU. This is courtesy of an energy sector dominated almost exclusively by coal.

These observations, which barely scratch the surface of differences between the BASIC countries, give reason to believe that the group might find strategic cooperation within international climate negotiations a challenge.

Approaches to climate negotiations, individually...

Traditionally, China and India have played leading roles in the G77, rejecting both mitigation targets and international monitoring of developing countries’ domestic actions. Both argue strongly that developed countries must be subject to mandatory emission reductions before developing countries take on mitigation commitments. Brazil, too, has taken traditional developing-country positions, for instance on sovereignty and the right to sustainable development.

While these stances remain fundamentally unchanged, there have been clear signs of some notable shifts in the approach of these countries to climate negotiations. Not least of these are the various pledges made in early 2010 in response to the Copenhagen Accord, a sign of greater willingness to offer the international community concrete commitments to action. Perhaps the greatest change has been seen in India, where Minister for Environment and Forests Jairam Ramesh has championed both a more proactive engagement and a new openness to revisit previously intransigent positions, even on key issues such as equity and international monitoring of domestic actions (softer versions of MRV). In Brazil’s case, former Brazilian President Lula’s signing of a joint statement with French President Sarkozy in November 2009 suggested, at least on the surface, a greater willingness by Brazil to meet the industrialised countries half-way and to put pressure on China and the US in particular.

China, meanwhile, remains cautious and announced again in late 2010 its refusal to make legally binding emission reduction commitments until the US agrees to make its mitigation reduction targets more ambitious.

While also aligning itself with the G77, South Africa has long stressed the importance of its relationships within Africa and on promoting the interests of the African Group in climate negotiations. It was singled out for some criticism from within Africa after Copenhagen for being seen to cooperate in the smaller BASIC group, for fear this group’s agenda might shift away from the agenda of the rest of the G77. Depending on the future behaviour of BASIC, this might create a difficult tension.

... and collectively

Two clear patterns emerge from the various BASIC meetings and statements throughout 2010. First, the four insist that industrialised countries remain primarily responsible for bearing the costs of both reducing global GHG emissions and supporting adaptation measures in poor countries, and that only industrialised countries should be subject to mandatory GHG reduction commitments. The BASIC group has consistently called for a second commitment period of emission reductions under the Kyoto Protocol.

Second, the quartet has repeatedly confirmed its alignment with the G77, stressing that the group will continue to advocate the interests of all developing countries. It has, for instance, repeatedly called for action to implement the fast start finance for developing countries agreed at Copenhagen.

Equity is one concrete issue that has been in focus throughout 2010, with technical-level workshops held at the July and October BASIC meetings. The equity discussion links to the question of how future GHG emission allowances (or the “carbon budget”) should be divided among countries, and is a contentious issue – particularly since the US has characterised the equity discussion as a “non-starter”.

The four images in figure 2 illustrate the challenge within climate negotiations of finding a common definition of equity. For instance, India frames equity in terms of per capita emissions and historical responsibility, China focuses on cumulative historical emissions, while industrialised countries tend to see a concept of equity embedded in projections of future GHG emissions. Unsurprisingly, these frames are in each case consistent with each country’s best material outcome. Given the vastly divergent views about how the remaining carbon budget should be divided, equity has become a major stumbling block in the UNFCCC process. The BASIC group too has thus far not reached any consensus on how to deal with equity issues.
Important trends and developments

• The four countries operate in diverse material and ideological contexts, and differ in their respective contributions to the climate problem. They may for the time being be partners, in climate diplomacy and in economic relations, but they are also competitors in the quest for global markets and for international status. Both the partnership and competitive aspects of this dynamic give life to the BASIC forum, as a venue both for cooperation and for keeping an eye on one another.

• For India, Brazil and South Africa, the BASIC forum plays into a common foreign policy objective of each to raise its international status. Climate diplomacy can thus be seen as part of a wider geopolitical game, raising the possibility for trade-offs between major parties (both the BASIC group and industrialised countries) that unlock specific climate sticking points in exchange for achieving wider diplomatic goals.

• While a desire to cooperate is clearly evident, the lack of concrete substance in BASIC statements raises questions. Curiously, there have been several workshops on the issue of equity – which many consider intractable within negotiations – yet no advanced discussions on a range of issues that might for instance have helped unlock individual elements of the current negotiations leading up to COP16 – international monitoring (MRV/ICA), technology transfers and intellectual property rights and market mechanisms. Seeing the issues the group has not been working on might be as illuminating as focusing on those it has.

• BASIC outreach (what the group terms the “BASIC-plus” approach) has so far been limited to invitations to other key G77 actors to join the group’s quarterly meetings. If BASIC is positioning itself to play a proactive role in supporting progress towards a global agreement, it is curious that other strategically important actors have not participated – for instance, Mexico (as COP16 host) or Denmark (as current COP president). At this stage it is difficult to tell whether this simply reflects cautiousness arising from it being an immature forum or is instead a sign of more strategic behaviour.

• There is a significant difference between the emission reduction pledges these countries have offered internationally and the scale of actions initiated domestically. Actions announced under China’s National Climate Change Program (2007) and India’s National Action Plan on Climate Change (2008) for instance represent significant domestic efforts that are not always well recognised internationally. While the BASIC group presently appears focused on international negotiations, it could foreseeably evolve into a forum for exchanging capacity and support in a way that helps each achieve their various domestic ambitions.

• A pertinent question for the near and medium term future is whether BASIC can help unlock the US-China deadlock that presently creates stalemate in progress on a legally binding international agreement. India can perhaps play a key role in this regard, given the strategic importance of both countries to Indian foreign policy objectives and substantial improvements in recent years in the US-India relationship.

Other specific issues that have been discussed during 2010 meetings include “alternative” (South-South) finance for the poorest countries and climate related trade-policies.

Moving towards a new international climate agreement, the BASIC countries have pointed to the importance of domestic US politics for the international process, but has also stressed that the world cannot wait forever for domestic US legislation on climate change. They call for the Copenhagen Accord’s political agreements to be translated into negotiating texts under the two negotiation tracks of the UNFCCC, and emphasise that the outcome of COP16 should be based on a balance between the two tracks, not the Copenhagen Accord.

South Africa’s role as host of COP17 negotiations in 2011 might present a test for the dynamics and cohesion of the BASIC group. South Africa has long seen itself as a bridge builder between developing and industrialised countries, and is now also delicately poised between BASIC and African interests. In the lead up to COP17, their continued alignment with the BASIC group may well depend much on how proactively the other BASIC countries approach efforts to conclude a meaningful long term climate agreement.

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