

Kelly Brownell:

Welcome to Policy 360. I'm Kelly Brownell, the Dean of the Sanford School of Public Policy at Duke University. Today, I'm talking with one of our faculty members, Billy Pizer. Billy is affiliated with a number of departments at Duke, economics, environmental science, and policy. In addition to the Sanford School of Public Policy, he's also a faculty fellow with the Nicholas Institute for Environmental Policy Solutions, a non-partisan institute at Duke that focuses on finding solutions to some of the nation's most pressing environmental challenges. Billy has had a broad career in academia, research, and government, including a three-year stint as Deputy Assistant Secretary for Environment and Energy in the Treasury Department. Welcome, Billy.

Billy Pizer:

Thank you, Kelly.

Kelly Brownell:

So, let's talk about the Paris environmental meetings that happened recently and discuss the successes that happened there and the challenges. But let's begin. What are the goals of the Paris climate talks?

Billy Pizer:

The main goal was to achieve structure, an agreement that put into place a structure that would allow all countries, developed, developing, large, small to participate in trying to mitigate the effects of climate change. And that's a pretty significant deviation from what's been achieved in the past.

Kelly Brownell:

It seems like an enormous task to bring together countries with such competing needs.

Billy Pizer:

Yes. And what's really the overwhelming achievement in a way is that in the past, there's been a strong bifurcation between what were viewed as developing countries, at least 20 years ago when the negotiations first started, and the developed countries. And that bifurcation had continued for 20 years and was extremely difficult to break down. But what was achieved in the Paris Agreement was really a leveling of the playing field. Not treating everybody the same, but expecting everybody to contribute. And I think that was a really significant development.

Kelly Brownell:

What do you think is responsible for that change in the climate of the talks, if you will?

Billy Pizer:

Well, I think there are two things. One was quite honestly the United States, which came into the negotiations at the beginning of the Obama administration, with really this very explicit goal of achieving an agreement. Originally, the goal was Copenhagen, which was six years ago, five years ago, but it really was the Paris Agreement that cemented it that would really create an agreement that treated countries like the United States and China much more similarly.

The other thing that happened was I think people realized that in order to get everybody involved, the structure needed to be different than it had been envisioned in the past. So, the last really

big climate agreement was the Kyoto Protocol back in 1997 and that was a very different protocol. It was what I call a top-down agreement where the negotiators divvied up obligations and told everybody they had to do.

And then everybody was expected to go back and implement it. And the Paris Agreement is a bottom up agreement. Countries bring to the table their commitments and then there's a process of reviewing those commitments over time. And that change in structure, I think, was what allowed everybody to really come together and find it acceptable.

Kelly Brownell:

So, you mentioned the change in structure that sounds like it was helpful, but also you mentioned the stance of the United States and what it is currently going into the Paris talks. Is that different than the stance that US has taken historically?

Billy Pizer:

Well, yes. I think during the 1990s, the US position, which fell out of the successful implementation of the Acid Rain Program was to try to set up a very complicated global trading program where everybody had these obligations that were negotiated and that did not work. The United States was not a party to it in the end and other countries like China were never going to sign up for something like that for a variety of reasons.

And then in the 2000s, you had the Bush administration, which I think inherited the Kyoto Protocol, which really was not going to work for the United States, regardless of who had been elected president in 2000. But they really struggled to find the alternative and they had other priorities after 9/11. So, the Obama administration really came in, decided this was a priority, figured out what they needed to do, and then did it.

Kelly Brownell:

What do you see as some of the major outcomes of the talks in Paris?

Billy Pizer:

Well, I think this structural agreement is really the core and it's been on the table for a couple of years now. I think some of the interesting features of it are that the obligations, the commitments that countries make or submit, they're called nationally determined contributions, these things happen every five years. So, I think that was really important, because it's not just that we're going to solve this and be done with it. It's that we have to regularly review what we're doing and try to increase our ambition.

And this five-year window, I think was a really smart development and it is very helpful. There's also review mechanisms, which were very contentious, because countries don't like to be put under a microscope. And the details still have to be worked out exactly how much of a microscope there will be, but everybody's agreed to do it.

So, there will be a review process that allows... It's called peer review. Countries get to comment on each other's obligations and the successful implementation of those obligations. There are other pieces of it. Finance, financial mechanisms, technology mechanisms. But I think the real cornerstone of this is the structure and I think that's what people are really excited about.

Kelly Brownell:

You mentioned this review process. What sort of things would come from this? What sort of metrics might emerge, or what would be reviewed? How would countries be... Not necessarily the specifics of how they would be scored, but on what dimensions would this review process occur?

Billy Pizer:

Well, that's a really interesting question. And that's something that I've been trying to think a bit about in my own research. Environmentalists come to the table with a very specific metric, which is how much are you reducing your emissions? What were they and how much lower are they today? I think that's a very tough metric, because countries are in very different positions.

Some have growing populations, some are poor and they're developing, some have access to certain renewable resources that other countries don't have. So, to me, that's a tough one. I tend to think about things like how much resources are countries devoting to mitigating the problem, how hard are they trying in a sense, what are they giving up in order to try to deal with the problem?

Those are tougher to measure, but I think they're closer to the notion of how hard countries are trying. And I would just note that whatever metric you're looking at, it obviously makes sense to differentiate. You wouldn't expect a rich country like the United States to be devoting as many resources as a poor country like India.

Kelly Brownell:

Well, how do you deal with the issue that the pollution, or some of the environmental damage that one country might create, isn't happening only in that country?

Billy Pizer:

This is the cornerstone of... There are two fundamental problems, or two fundamental reasons why climate change in my mind is such a hard problem. One is exactly what you said that emissions from the United States affect everybody, just like emissions from China affect everybody. It doesn't matter where the emissions occur for the most part.

So, if the United States just thinks about itself when it's figuring out how to reduce its emissions, you're never going to get the right level of emissions, because you're not considering this externality. So, that's fundamentally the reason we've been doing negotiations. The other thing that makes it really hard is that the consequences of climate change are delayed and they build up.

So, even if we decided we were really seriously committed to this and we stopped emitting pollution today, we would still be living with the consequences of our past emissions for decades, if not centuries. And so this lack of what I call palpability really of what's going on, by the time we actually feel the serious impacts of climate change, it's really too late to do anything. That coupled with this externality that you mentioned, those are the things I think that make this a really hard problem.

Kelly Brownell:

Well, how do you get around the fundamental problem that a country will be most economically advantaged if it doesn't take into account climate change, if it's producing its products and it doesn't have to spend money reducing emissions?

Billy Pizer:

Right, so this is why we have the negotiations. In economics, we call it a prisoner's dilemma. There's always the incentive to cheat. And so there's been a lot of study of the tragedy of the commons and institutions that can arise to try to solve that. If it was within national borders, obviously you could have national law, but internationally, we don't have institutions that are really sufficiently strong to enforce things.

There's been a lot of work that shows that in repeated interactions when there's a variety of issues that are on the table, countries have an interest in developing a reputation of abiding by their commitments. And more over, they have an interest. If I can get you to do more then I'm willing to do more. There's a reciprocity that works.

So, if we can leverage the reciprocity, if we can leverage the reputation and the repeated nature of what's happening, and the fact that we're interacting with these countries, not just on climate change, but on security and trade, and all these other things that matter, I think there's enough structure there that we can probably overcome the problem.

But I think one thing that it means for me is that we can't move too quickly. You can't expect countries to trust everybody to move immediately to this grand global solution. And I think the structure that has these five year repeated negotiations is really the kind of structure that will allow people to build trust, experience, and reciprocity, and hopefully strengthen the actions over time.

Kelly Brownell:

So, I'd like to end with a question about whether or not you're optimistic. Do you think things are moving in a positive direction? Are they moving quickly enough? You mentioned yourself that, and I know I've heard in a lot of different places, that we might get to a point of no return with some of these climate change things occurring. So, that would argue for faster rather than slower progress. So, I'm just wondering how you feel about the trajectory of things overall.

Billy Pizer:

Well, that's a great question. I think a lot of people, or some people, looked at the outcomes in Paris and they were very disappointed. If you just add up quantitatively what was accomplished, not ignoring the structure, but just the numbers, it doesn't meet what a lot of environmental advocates and scientists really say is necessary.

I tend to be a bit more optimistic. You know me. I'm optimistic anyway. I think getting the structure in place puts us on a track that is probably the best we can do. And I actually have a lot of confidence that as people gain more experience and more over as we develop new technologies, we'll figure out different ways of doing things that we couldn't really imagine.

So, I tend to be pretty optimistic. If you think about where we are now in terms of solar technology and wind technology, and battery technology, and car technology versus where we were 10 or 15 years ago, it's pretty dramatic. Let alone in cell phones. So, I'm optimistic that once we have the right incentives and the commitments in place, we'll actually do a lot more things that people couldn't even imagine.

Kelly Brownell:

Good. Well, thank you so much. I appreciate it. I've been talking today about the United Nations climate change conference with Billy Pizer, professor in the Sanford School of Public Policy at Duke University. You can find more of these conversations with policymakers and academics. Just head to either iTunes or SoundCloud and search for Policy 360. Until next time, I'm Kelly Brownell.

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