

# Evaluating Realist, Liberal, Neoliberal, and Constructivist Expectations for the Success of the Paris Agreement

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## Introduction

In 2015, nearly 200 countries reached a landmark agreement to combat climate change - the *Paris Agreement*. Political theorists have been debating how countries are likely to combat security challenges for decades. However, in light of climate change, a threat that is more recent and in many ways different to conventional threats such as wars, weaponry, and epidemics, theorists are only recently gathering their viewpoints. This paper will assess whether the characteristics of this agreement (as well as United States' announcement of withdrawal) are in line with the traditional expectations of responses to a global threat, according to realists, liberals, neoliberals, and constructivists. Although the three schools typically conflict on traditional security issues, there is a lot of overlap between their perspectives on the climate change issue and *Paris*. Overall, different aspects of their theories would argue that *Paris* would be unsuccessful whereas some aspects would claim its efficacy. It is difficult to conclude which aspects prevail to make a conclusion due to the lack of information available right now since it has only been 3 years since the agreement and the impacts of implementation are unclear. However, this paper will serve to lay out expectations of these prominent schools of thought according to how they would traditionally view solutions to security problems.

Realists and neorealists generally perceive institutions to be inherently weak and ineffective and as a result, they would expect the *Paris Agreement* to fail. Their objections mainly fall under the broad categories of transparency, enforcement (the logic of consequences versus the constructivist claim for the logic of appropriateness) and, the role of 'elite states.' They also claim that diversionary interests are a reason for

the weakness of institutions. They are likely to claim the US withdrawal as evidence to their reasoning (Bennett, 2018. 1 (*Neo*)Realism Powerpoint 2018).

On the other hand, liberals argue that institutions are important because they lower transaction costs and increase transparency. They would claim the agreement to be successful because of the global scope of the institution. However, they would agree with the realists on their argument on enforcement (Bennett, 2014 2 (*Neo*)Liberalism Powerpoint 2014 (6)).

In contrast, neoliberals disagree with liberals as they claim that the global scope of an institution weakens it (Keohane & Victor, 2011, page 9). They disagree with realists on the efficacy of *Paris*' enforcement since they claim non-binding regimes may be more effective. Yet, they agree with realists on their argument on the importance of certain states to the success of institutions.

Constructivists are likely to be in support of the agreement as it depicts evidence of some states changing drastically after signing it which consolidates their case that institutions can change states. They would also argue that the logic of appropriateness the agreement depends on will be effective (Bennett, 2014. 3 *Constructivism Powerpoints*).

### **Transparency**

On the topic of transparency realists argue that in institutions there are likely to be: bargaining problems with countries withholding private information, incentives to misrepresent information, collective action problems with a high propensity to free-ride and cheat, and difficulty providing and receiving credible commitment signals, (Bennett, 2017. 14 *International Environment Spring 2017 (2)*), therefore they would argue that *Paris* is likely to fail.

However, in reality, the transparency mechanism of the agreement is quite effective. All 184 states who are party to the agreement are obliged to abide by an extensive review process. This includes a global stockade every five years to account for achievement. The process consists of quadrennial national communication and technical review, biennial transparency reports, technical review, facilitative multinational consideration of progress, international assessment, consultation, and analysis, as well as an annual review of national inventory. The reports would be submitted by the countries themselves but subsequently verified by the United Nations Framework Convention on Climate Change (UNFCCC) subsidiaries, their Secretariat, international Expert Review Teams (ERTs), and by scientific input such as the Intergovernmental Panel on Climate Change (IPCC) reports. In addition, there is also an Enhanced Transparency Framework currently being developed to improve the existing logistical structure as the number and frequency of reports will increase (Dagnet, Elliot & Cogswell). This means that although countries may have an incentive to cheat the system, the report and review structure they agreed to makes this process very difficult.

This coordinated, structured, and extensive review system conducted by the UNFCCC is evidence to the main liberal argument in favor of institutions - lowering transaction costs. Liberals argue that institutions are likely to be successful in light of any conflict because they lower transaction costs of negotiating, monitoring and enforcing (Nye & Welch, page 67-78). For example, with *Paris*, the UNFCCC created a framework for countries to come together and negotiate, they monitor the implementation of the Nationally Determined Contributions (NDCs) as described above, and assigned all parties with the responsibility to 'name and shame' to enforce the agreement, so that no one country has to individually bear the costs of negotiating, monitoring and enforcing. Moreover, the explicit codification of norms via the NDCs, the long-term temperature goal, outlining the future of finance, technology, and capacity building support, and other

guidelines (UNFCCC, *What is the Paris Agreement?*) means that there is less definitional ambiguity and therefore less conflict in terms of what the problem is and what the corresponding solution is. Hence, liberals are likely to expect the *Paris Agreement* to be successful since it lowers these costs and encourages countries to cooperate. However, lowering transaction costs only bring countries to the table as opposed to lowering the cost of implementation of their NDCs.

## **Enforcement**

Regarding enforcement, realists claim that due to the non-binding nature of most international agreements, including *Paris*, albeit this being due to the respect of each country's sovereignty, is likely to make the institution unsuccessful. The *Paris Agreement* depends on the policy of 'naming and shaming' to deter and punish those who don't abide by their NDCs. 'Naming and shaming' means that members are required to publicly and officially criticize countries who don't meet their NDCs. Realists and liberals are proponents of the logic of consequences and therefore argue that countries will only respond to result-based penalties such as fines or sanctions after evaluating the costs and benefits and since 'naming and shaming' doesn't have a tangible result that can be evaluated it won't be effective. Constructivists contest this by using the logic of appropriateness. They claim that 'naming and shaming' is highly effective because preserving a country's reputation is an inherent interest of the state. States suffer humiliation when other countries criticize them in a public forum. This was evident in the aftermath of French President Macron's call for American scientists and businesses to join hands with the French in the fight against climate change. This highlighted America as an in-conducive environment for certain citizens and is likely to have been embarrassing. However, Macron's statement had the impact of urging thousands to express interest in taking French grants. This could cause 'brain drain' and disincentives for environmentally friendly firms to invest in the US because of their reputation. This depicts that the cost to reputation isn't solely intrinsic.

In a globalized world based on inter-dependent relationships between countries, ultimately the tangible costs and benefits that states would consider if they acted according to the logic of consequences, are affected by reputation. For example, states require others to vote on their resolutions, provide aid, and engage in international trade with them; a bad reputation would discourage countries from doing so.

Although there are no explicit sanctions or fines, it is arguable that due to a country's worsening reputation others may be reluctant to pursue relations with them due to the fear of being associated with undependable, untrustworthy states. For example, North Korea is naturally abundant in metals and has a consumer market for global products but only a few countries traded with them even prior to the imposition of sanctions. Similarly, Nazi Germany's reputation for anti-semitism triggered the US to threaten to boycott the Berlin Olympics and therefore forced Germany to make short-term changes to their Jewish policy at the least. Hence, according to the constructivists, a country's reputation is linked to tangible costs and countries would be cautious of how they are perceived.

Realists argue that countries who misunderstand incentives 'pay a price.' The US intention to withdraw from the agreement is a theoretical victory for the realists as there are no explicit penalties for it and therefore none to deter other countries from doing the same. However, the US withdrawal was arguably based on misunderstanding the incentives of the agreement as President Trump claimed, it was due to "the draconian financial and economic burdens the agreement imposes on our country" — even though each country chooses its own contributions. Since the US didn't pay a tangible price, realists would use this example to demonstrate the lack of enforcement capability of institutions and therefore their inefficacy. However, the link between reputation and tangible costs and benefits in the current international political economy may hinder the US from officially withdrawing. Constructivists may argue that they are indeed

paying the price for misunderstanding incentives - the reputational price and will perhaps pay associated diplomatic and economic costs. Furthermore, although realists and liberals believe in the power of tangible consequences as a means of enforcement, neoliberals claim that non-binding agreements may be more effective. Non-binding agreements are more flexible and less prone to raise concerns about noncompliance, and thus they allow governments to adopt ambitious targets and far-ranging commitments. In contrast, binding agreements are usually crafted through processes dominated by lawyers who are particularly focused on assuring compliance which makes countries hyper-cautious and risk-averse and thus acts as a deterrent to states signing the agreement. A binding commitment might be useful for codifying an effort that is already in hand (or which requires actions that are easy for governments to deliver) but, uncertain, strenuous efforts at cooperation, such as the *Paris Agreement*, are easier to organize when the commitments are not formally binding (Victor, 2009. Page 97).

### **'Important' States**

Additionally, realists and constructivists both argue on the importance of 'elites' to the sustainability of an institution. Realists claim that institutions are created by the elite, victors of the Second World War, (Permanent 5 (P5): China, Russia, France, US, UK) and ignored according to their preferences; the US withdrawal would be the optimal example of this. Similarly, they argue that unless the most 'important' countries in the international community experience the effects of a threat, institutions are an unlikely solution since this lack of participation denies the institution legitimacy and therefore other countries would be unwilling to cooperate. Likewise, the constructivists claim that socialization in international relations requires a hegemony's initiative, and their 'self-binding' to the solution (Acharya, 2018). The weaker states 'accept the deal' in the hope that this will mitigate the fear of domination and abandonment. The hegemony exhibiting strategic restraint and perhaps 'tying their hands' by making public commitments to a cause is

emphasized. Ultimately the constructivist view agrees with the realist perspective on legitimacy and precedence.

Yet, the US withdrawal doesn't seem to have had the purported impact on legitimacy and cooperation that realists claim it would, by setting a precedence and causing a domino-effect of withdrawals. For example, since the withdrawal, 3 countries adopted more stringent targets, 6 countries announced new commitments and actions, 10 countries increased their references to adaptation, and 9 countries improved their transparency, whereas only 3 countries weakened their commitments or decreased clarity, yet, zero countries levied threats for withdrawal (Ge & Levin, 2018). In fact, the agreement has been improving the situation to some extent. When Kyoto was signed 20 years ago only 72 climate laws were in place globally, in 2017, 1500 were recorded. These policies include carbon pricing (countries representing 56% of global emissions are on track to be covered soon), renewable energy schemes (179 countries have renewable energy targets) and vehicle emissions standards (nearly 80% of new light-duty vehicles sold globally are subject to some kind of emissions standard), to name a few (Jackson, 2018). However, realists may be valid in their attribution of significance to specific countries. These countries are not important in the traditional realist perspective of them being the P5 and are therefore inherently 'elite', instead, their importance is based on their contribution to the problem. The largest emitters of greenhouse gases happen to also be members of the P5 'elite.' China is the largest with 26.83% of global emissions, the US is 2nd accounting for 14.36%, and India is 4th contributing 6.65% of global emissions.

Achieving the Obama administration's 26 to 28% emissions cut below 2005 levels would ultimately be too little, at least if the agreement's formal objectives are to be taken seriously. The whole world is off course on climate change by that metric, meaning that many countries, including the United States, under-promised in Paris. The world's commitments thus far, assuming they are realized, would lead to a warming of 3.3

degrees Celsius (5.94 degrees Fahrenheit), rather than the 2 or 1.5 degree Celsius (3.6 or 2.7 degrees Fahrenheit) targets of the *Paris Agreement*. So, the United States, as the second largest global emitter of greenhouse gases, would need to do considerably more than Obama's promises to cut its emissions. Instead, it is underperforming even those modest commitments. The country is currently on course for a roughly 11 to 13% decrease in its emissions below 2005 levels by the year 2025, according to the Climate Action Tracker, which is about halfway to the Obama administration's pledge. In addition, cutting U.S. climate aid will make it more difficult for developing countries to mitigate and adapt to climate change and less likely for these countries to achieve the 2 °C target of the *Paris Agreement*.

Financing is essential to implementing the agreement, and under the principle of common but differentiated responsibility, developed countries are obligated to provide climate financing to developing countries. The U.S. has been the top donor to the Global Environmental Facility, contributing around 21% of its total shares. In 2014 alone, the Obama Administration pledged US\$ 3 billion to the Green Climate Fund accounting for 40% of the total US\$ 2.42 billion fund. The Trump Administration decided to terminate the donation to the Green Climate Fund, which will reduce America's share to 6.4%. The Green Climate Fund plays an essential leveraging role in global climate financing.

Similar to the importance of US withdrawal to the weakening of *Paris*, China, and India's efforts are significant to the success of the agreement. As the world's largest emitter China committed to lowering the carbon intensity of its economy by 60 to 65% below 2005 levels by 2030. India also committed to reducing the emissions intensity of its economy by 33-35% below 2005 level over the same period. Backed by government policies such as renewable energy support, plans to retire old coal generators, carbon pricing, and energy efficiency standards, both countries are on track to achieve these targets well in advance of 2030. For example, India is projected to meet its 2030 target to get 40% of its electricity generation from



non-fossil fuel sources eight years early. Constructivists may argue that this is an example of institutions changing states since there is a radical change in the behavior of China and India, and attribute this to the success of *Paris*. Yet, realists are ultimately valid in their assessment that the participation of certain countries is more important than others, in this circumstance. It is clear that although the US withdrawal or any other 'elite' country's noncompliance may not cause a domino effect, it does undermine the overall cause due to the role they play in causing climate change and acting as a financial tool to help others.

### **Interests and Scope**

The fact that 184 countries have signed the agreement is intrinsically a victory to liberals as they argue that institutions have to be global in scope. Although this is the traditional liberal view, Robert Keohane and David Victor, renowned as the founders of neoliberalism disagree with this point. The reasoning behind their objection is in line with the realist view that with many members, there is a propensity for interest problems to occur more frequently. This is due to the diversity, and subsequent conflict, of countries' viewpoints on climate change assessment, measurement, and resolution. Neoliberals argue that there has to be a strong demand by all key players around a common objective to yield an integrated institution with no viable rivals (Keohane & Victor, 2011. Page 9). The ozone layer accords emerged in this way, with a dominant set of ideas that favored a United Nations-sponsored global treaty on the ozone layer and a strong demand from the most powerful states, firms, and Non-Governmental Organizations (NGOs) to invest resources exclusively in that treaty. This consensus is absent with climate change and instead, they claim that regarding climate change, countries are only likely to coincide with avoiding obviously extreme scenarios, extremes so distinct that in time that they have no meaningful impact on the debate today and resultantly, efforts lag.

The reason for this is the degree of uncertainty that exists with the climate change problem. Countries still aren't certain whether they will reap the benefits of their commitment to climate change. This resonates with

Victor's argument on countries only promising to agree to do what they would have done anyway and therefore institutions are not very effective in changing the status quo. Victor claims that most developed countries, who also happen to be the largest emitters, are 'climate proof' - have the greatest capability to respond to climate change and therefore demand international collaboration less. He claims that this could have an impact on developing countries, since climate change impacts are mostly long-term, they would much rather invest the same resources and develop today and as a result expect to have the capacity to respond to climate change in the future - Wildavsky's 'richer is safer' dictum (Victor, 2009. Page 93). This results in Arild Underdal's 'law of the least ambitious program,' which holds that the effectiveness of an international agreement is limited by the commitment level of the agreement's least interested party (Victor, 2009. Page 90). Hence, neoliberals argue that *Paris* is likely to be ineffective because of its universal membership without a universal consensus.

However, instead of viewing the complex nature of climate change and the subsequent variety of interests it results in as a 'problem,' *Paris* views it as an opportunity to offer countries the chance to have different responses to their different interests; therefore encouraging more countries to sign the agreement.

Countries assign themselves their own NDCs accounting for their capacities to implement them, so, there is no clash based on countries' interests in the solutions. The realist and neoliberal claim may have had some aptness in the initial stages of the agreement when the overarching goal of limiting the temperature rise to 2 degrees Celsius was decided and when the non-binding nature of the agreement was established. For example, Nicaragua's representative at the 2015 talks, called the deal a "path to failure" and ultimately didn't sign the agreement. One of the primary reasons is that the deal is not binding — in other words, there are no punishments for countries that fail to live up to the commitments they make as part of the deal, other than "naming and shaming." Therefore, although the realist and neoliberal claim are valid in the fact that

interests would clash at some point, overall, it is less accurate in its expectation for this to be a major hindrance to the success of the agreement. One of the reasons the expectations for the success of Paris in comparison to the Kyoto Protocol is more optimistic is because there can't be interest problems in implementation between states since they all implement different solutions to their varied NDCs and therefore the scope for conflict is less. In addition, the NDCs as a cooperation scheme arguably enticed reluctant parties who wouldn't have signed if there were pre-determined or even negotiated, but universal, rules for them to follow since they believe countries have different climate change problems and therefore require personalized solutions (Victor, 2009. Page 90). The fact that this enticement resulted in policies that are more effective than what these 'reluctant' countries were already doing is evident in the case of China and India.

However, it can be argued that the neoliberal expectation of no improvement to the status quo is correct. This is because the gap between the current rate of decarbonization and the rate needed to reach even the 2 degree limit to warming (let alone the more ambitious goal of 1.5 degrees) is widening, with it currently standing at 6.4% decarbonization per year for the rest of the century. And every year we delay action, the steeper rates of decarbonization we need to achieve in every year that follows. Top performers in 2017 were China, Mexico, Argentina, and the UK, as they exceeded their NDC targets, yet, these countries are the exceptions rather than the rule - the rest of the G20 didn't do so well. Therefore, neoliberals would claim *Paris* to be an ineffective agreement as it didn't cause a significant change to the status quo despite personalized NDCs.

## **Conclusion**

Overall, on the transparency debate, the reality of the report and review process of the UNFCCC appears to trump the realist arguments on incentives to misrepresent information. Although it is too soon to tell

whether countries will abide by their NDCs, if they don't, the lack of a method to ensure transparency is unlikely to be the cause of such a fallback. The liberal claim of institutions lowering transaction costs is epitomized in the agreement and is perhaps why so many countries are parties - they can focus their efforts on actual solutions as opposed to the logistics of cooperation.

On the other hand, claims against its success are mostly centered around enforcement. Realist and liberal arguments for the logic of consequences prevail. This is because the constructivist and neoliberal solutions of waiting for: reputation to have tangible impacts and non-binding agreements to encourage ambitious goals are theoretically sound but impractical in the context of an issue as urgent as climate change. Hence, sanctions, fines, and other tangible impacts are more likely to immediately and successfully deter countries from emitting greenhouse gases as opposed to 'naming and shaming.' Furthermore, the realist and neoliberal perspective on the fundamental necessity of certain states also stands. Even if there is no impact on the legitimacy of the institution and no precedent is set, by virtue of one of the largest emitters leaving the agreement and scaling back its efforts to combat climate change, even if others are on target, the situation will drastically worsen. Therefore, the *Paris Agreement* is dependent on the largest emitters, namely the US, who is also the largest contributor to climate finance. Finally, despite the NDCs mitigating the degree to which countries clash, there is still no drastic improvement to the status quo, testifying to Underdal's neoliberal theory and the inefficacy of *Paris*.

On net, given the nature of the climate change problem, there is a necessity for every single country, specifically the largest emitters, to strengthen and tailor their NDCs to meet the 2 degrees Celsius target as soon as possible. Unless they do this, the *Paris Agreement* could be credited with improving the status quo marginally, but if we measure its success on the goal it set out for itself, the trajectory doesn't seem positive.

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