

A Multilateralist Analysis of the Paris Agreement: How do Political and Economic Inequality and Domestic Pressures Affect Climate Commitments

Ting Li

*College of Letters and Science, University of California Davis, Davis, USA
somzyyy126@gmail.com*

Abstract. The Paris Agreement has played a landmark role in guiding global climate governance. Each nationally determined contribution mechanism represented a bargaining strategy in global climate negotiations, in which countries set appropriate emission reduction targets based on their own economic capacity, development needs, and international support. However, countries differed in their economic capacity and national interests, the agreement faced obstacles to implementation, and needed to be further refined to provide a flexible framework for implementing climate commitments and actions. This paper mainly explored how economic gap affected countries' negotiating power, analyzed how economic power shaped the formulation of nationally determined contribution mechanisms from the perspective of multilateralism theory, and examined the impact of domestic political and economic pressures on different countries' climate policies. It also evaluated why developed countries provided financial assistance to developing countries to push for global emission reduction commitments and promote effective global cooperation. Moreover, this paper discussed whether countries exited or renegotiated the agreement when faced with unmet goals, and how to avoid this happening. Finally, the research results showed that, although the economic gap prevents the achievement of goals, countries are more inclined to renegotiate rather than exit the agreement as an option. Through multilateral frameworks combined with financial and technical support, more countries can be encouraged to participate and make stronger commitments to climate action. This reflected the continuous importance of the Paris Agreement as a cooperation platform. Therefore, the flexibility of the framework had certain beneficial significance for maintaining international commitments and enhancing long-term mutual trust among countries.

Keywords: Multilateralism theory, Paris Agreement, Climate Commitment, Political Inequality, Economic Inequality

1. Introduction

The establishment of the Paris Agreement marks a new stage of global climate governance, which provides a clear direction and impetus for global emission reduction actions, and also shows the determination of the international community to jointly cope with today's extreme climate change to

achieve green and low-carbon economic development and develop sustainable development [1]. Among them, the nationally determined contributions are the main promotion of the Paris Agreement, which allows countries to develop appropriate climate action plans according to their own circumstances and encourages countries to participate in global efforts to reduce emissions. The nationally determined contributions mainly include the emission reduction goals and specific measures of each country and promote the efforts of all countries to fulfill their climate commitments in the form of phased update goals. Countries accept the nationally determined contributions because they set the principle of working together for progress, and it allows countries to contribute according to their economic capacity. Developed countries can rely on their advanced technology to set high-standard emission reduction goals while developing countries have limited economies to set their own emission reduction goals and rely on international assistance to help achieve their goals. This flexibility helps balance global goals, countries are also encouraged to contribute within the framework of multilateral cooperation.

Multilateralism is a kind of form of international relations in which many countries solve common global problems through institutionalized cooperation. This is like the United Nations and the World Trade Organization(WTO) providing a platform for all countries around the world to communicate, cooperate, and resolve various conflicts together. According to Ruggie's article, "Multilateralism is characterized by non-discrimination and shared decision-making and emphasizes binding actors through rules and institutions to achieve collective interests" [2]. In the Paris Agreement, the theory of multilateralism emphasizes the importance of international cooperation. The agreement provides a cooperation platform for those countries to work out common rules through negotiations, and countries should consider the differences in economic development when fulfilling their obligations. It also indicates that countries' responsibilities should be distributed fairly, and countries should be practical to ensure that all countries can participate in and contribute their own strength. Therefore, this paper will analyze how the mechanisms of the Paris Agreement address these challenges through a multilateralist perspective and suggest possible ways to improve in the future.

2. Bargaining strategy in global climate negotiation

First, economic capacity has a strong influence on the different countries' formulation of nationally determined contributions. The core of multilateralism is that countries can deal with transnational problems through negotiation and cooperation, such as the climate change issue, which is the most serious problem in recent years. The difference in economic capacity between developed countries and developing countries means that they need to consider their own economic capacity and development needs first when setting climate goals. Many developed countries, such as Germany, rely on their advantages of stable economic development to set ambitious emission reduction goals. For instance, Germany's Energy Transition program not only supports the phase-out of coal use, with a commitment to complete coal phase-out by 2038, but also invests a large amount of money in promoting clean energy technologies and moves toward significant emissions reduction [3].

Besides, there are also some conflicts in the collective emission reduction goals of the European Union. In particular, Poland is a country in the European Union that is highly dependent on coal. Due to the lack of a clear energy transition strategy in Poland, the implementation of policies has been ineffective, resulting in insufficient social support [4]. This situation may make it difficult for Poland to achieve the EU's emission reduction goals. In contrast, although Germany is under high cost pressure, its energy transition plan is relatively clear and it can play a leading role in the overall emission reduction process of the European Union. This can be pointed out that sometimes

economic interests may conflict with certain climate commitments. For instance, domestic economic and political pressures could influence the developed countries' negotiations on multilateral climate goals.

In contrast, some low-income developing countries can only set relatively low emission reduction goals due to limited financial and technological resources. The country's nationally determined contribution goals focus more on adaptation measures and international subsidies. For instance, Ethiopia's Climate-Resilient Green Economy plan aims to achieve green economic development goals by sustainably implementing renewable energy, improving agricultural productivity, and reducing deforestation [5]. However, a developing country like Ethiopia, with its low level of finance and technology, can hardly undertake such a major climate action goal alone, like those developed countries do. If they want to achieve their goals, they need to rely on international support, especially through multilateral assistance programs, such as the United Nations and the International Monetary Fund. This dependence reflects the lack of economic capacity in low-income countries to achieve climate goals on their own capacity, as high-income countries do.

Furthermore, among developing countries, small island nations such as the Maldives also demonstrate limited economic capacity. Moreover, due to geographical issues, island countries are highly vulnerable to climate change, further highlighting their climate vulnerability. The rise in sea level caused by climate change in the Maldives poses a threat to the survival of the country, while its global emissions are merely 0.003% [6]. Unlike Ethiopia, the Maldives is adapting to climate change through the Climate-Resilient Green Economy plan. The Maldives almost has to rely on international cooperation and financial assistance to protect its country and people. At the same time, to address this challenge, the Maldivian government has called for the global adoption of the multidimensional vulnerability Index, which can help more accurately measure the structural vulnerability of small island states and assist them in obtaining critical climate financing [6]. This also reflects that the countries most vulnerable to climate change, despite their small contribution to emissions, will also face significant risks and may even need to rely on multilateral mechanisms to achieve basic survival. These cases illustrate that high-income developed countries can independently set ambitious emission reduction goals and implement climate actions using their economic strength and advanced technology, whereas low-income developing countries require support from multilateral mechanisms to achieve sustainable development in the context of climate change. Hence, multilateralism can help developing countries with economic gaps achieve common climate goals through international cooperation and subsidizing mechanisms.

Second, domestic politics and economic pressures have a disruptive impact on national cooperation in multilateral frameworks. On the one hand, in developed countries, especially those dependent on coal or oil, some interest groups and the fossil fuel industry exert pressure for economic interests, and those countries face the opportunity cost challenge when balancing economic growth and emission reduction goals. For instance, under the President Donald Trump administration, the United States has made "energy independence" a top priority goal and has supported the fossil fuel industry [7]. The Trump administration believes that joining the Paris Agreement will limit the economic development of the United States, especially the pressure on the energy industry, so the United States ultimately decided to exit the Paris Agreement to protect domestic economic interests. The exit of the world's second-largest carbon emitter, the United States, reduces the ability of countries to meet the goals of the Paris Agreement. At the same time, it has shaken the trust of other signatories to multilateral cooperation, for instance, developed countries may also abandon multilateral commitments in response to changes in domestic political and economic pressures. In particular, some developing countries would be concerned about the

possibility of developed countries failing to meet their commitments of financial and technical subsidies and losing confidence when facing the consequences of unmet goals. Moreover, the exit of the United States has undermined the credibility of the Paris Agreement by providing other countries with an excuse to exit their commitments. This also points to the impact of domestic politics on multilateral cooperation and the need for countries to consider how to enhance the long-term stability and trust mechanisms of participating countries when formulating international agreements to cope with the series of problems caused by such domestic political changes.

On the other hand, in developing countries such as India, domestic economic conditions conflict with climate goals. Coal is India's main source of energy and a major source of economic growth, and the coal industry is not only related to energy supply but also involves a large number of job resources for Indian citizens [8]. If there is a significant reduction in coal use due to following developed countries to use massive renewable energy, it will affect social stability and economic development in India. At the same time, coal-related interest groups often resist clean energy policies, fearing job losses, revenue, and economic benefits. Furthermore, India needs to solve poverty first. If the country decides to make a massive shift to clean energy without properly dealing with the problem of citizens' employment, it could lead to serious socioeconomic stagnation, which could lead to economic collapse in India. These multiple domestic pressures make it difficult for India to balance its international commitments with its domestic development needs, where it faces multiple economic challenges in meeting its climate goals. Here, multilateral cooperation can provide effective solutions, for example, through the equitable transition fund and the workforce development center, which provide financial support, help affected workers train, and provide reemployment opportunities. Hence, domestic economic interests and political pressures influence countries' decision-making within the framework of multilateral cooperation. Due to interest groups and the demand for economic growth, developed countries show more conservative attitudes when dealing with climate change issues, and may even exit from international agreements, which will affect the trust mechanism of multilateral cooperation. Developing countries face multiple challenges in balancing economic development with climate commitments, mainly reflected in employment problems and social stability. The behavior of these countries plays an important role in global climate governance, and countries need to use multilateral cooperation mechanisms to ease domestic political pressure and promote cooperation among countries.

3. Possibility of reform and exit

The Paris Agreement provides a flexible framework for countries to renegotiate their commitments by reforming the nationally determined contributions every five years after self-measurement. For example, countries may consider the needs of domestic economic development and adjust their goals and policies promptly. This would allow countries to adapt their nationally determined contributions to their own economic challenges or political pressures to make better progress. While the Paris Agreement provides an opportunity to adjust commitments, there are still situations where countries may have the possibility of exit. If countries persistently fail to meet their goals or face domestic opposition, they may choose to exit the agreement. The aforementioned U.S. exit from the Paris Agreement due to economic concerns during the Trump administration is a case in point.

To avoid the possibility that more countries exist, greater international trust could enhance the stability of the Paris Agreement. First, accountability mechanisms can help countries trust others to fulfill their commitments, which can also help reduce the free rider problem that leads to unfair cooperation and promote collective climate action. Second, developed countries should fulfill their subsidy commitments to developing countries to help them achieve their climate goals through

financial and technical support. Third, holding regular national exchange conferences, negotiations, and exchanges between countries can help solve the concerns and obstacles of countries on time, to avoid exit due to dissatisfaction or unpleasant emotions at a later stage. Such a collaborative approach would keep climate action on track and also aligned with global goals. As a result, the flexibility of the Paris Agreement allows countries to reform their climate commitments to their circumstances, but it also creates the possibility for countries to exit, especially when it fails to balance domestic economies and meet climate goals. Through multilateralism, these possible problems can be addressed through building trust, financial support, and negotiation to ensure that countries continue to participate in the Paris Agreement.

4. Conclusion

To conclude, the nationally determined contribution to the Paris Agreement reflects the emission reduction goals set by countries based on their economic capacity and international support. The negotiations for the Paris Agreement saw developed countries with greater economic resources pushing for ambitious goals while developing countries, constrained by limited financial and technical capacity, relied on international subsidies. Moreover, the flexibility of the Paris Agreement allows countries to renegotiate their commitments if they face missed goals, but the possibility of exit remains, especially if domestic political pressures and economic interests diverge from global climate commitments. As climate change intensifies, future global climate agreements will need to prioritize addressing the balance between domestic pressures and international commitments. After that, strengthening institutional measures and establishing flexible frameworks that balance economic and political realities will be important to sustain global cooperation on climate change. The success of the agreements will depend on building trust, countries' resilience to political and economic change, ensuring that global climate goals are met in the face of domestic challenges, and promoting global cooperation to meet global emission reduction commitments. Only the balance of ambition, equity, and cooperation among developing and developed countries can enable the global community to turn climate commitment into sustainable progress.

References

- [1] "The Paris Agreement." Unfccc.Int, unfccc.int/process-and-meetings/the-paris-agreement#: ~: text=The%20Paris%20Agreement%20reaffirms%20that, voluntary%20contributions%20by%20other%20Parties.Accessed 27 Oct. 2024.
- [2] Ruggie, John. "Multilateralism: The Anatomy of an Institution." The MIT Press, The MIT Press, 10 Mar. 2017, <https://scholar.harvard.edu/files/john-ruggie/files/multilateralism.pdf>
- [3] "What the Government Is Doing for the Climate." Bundesregierung, www.bundesregierung.de/breg-en/issues/climate-action/government-climate-policy-1779414#: ~: text=Germany%20is%20gradually%20to%20phase, Restructuring%20mobility.Accessed 1 Dec. 2024.
- [4] Kardaś, Szymon. "From Coal to Consensus: Poland's Energy Transition and Its European Future." ECFR, 29 Nov. 2023, https://ecfr.eu/publication/from-coal-to-consensus-polands-energy-transition-and-its-european-future/?utm_source=chatgpt.com%20
- [5] "Ethiopia's Climate-resilient Green Economy." United Nations, <https://sustainabledevelopment.un.org/index.php?page=view& type=400& nr=677& menu=1515>.Accessed 20 Nov. 2024.
- [6] "The Maldives Faces Existential Threat from a Climate Crisis It Did Little to Create. We Need the World's Help Now | Mohamed Muizzu." The Guardian, The Guardian, 25 May 2024, www.theguardian.com/commentisfree/article/2024/may/25/maldives-climate-crisis-small-islands-climate-finance.
- [7] Guliyev, Farid. "Trump's "America first" energy policy, contingency and the reconfiguration of the global energy order." PubMed Central, <https://pmc.ncbi.nlm.nih.gov/articles/PMC7118641/#: ~:>

text=The%20shale%20revolution%20in%20oil, and%20long%2Dlasting%20policy%20implications.Accessed
Accessed 19 Mar. 2020.

- [8] Agrawal, Kopal, et al. “Just Transition Away from Coal: Vulnerability Analysis of Coal Districts in India.” *Energy Research & Social Science*, Science Direct, 15 Dec. 2023,
www.sciencedirect.com/science/article/abs/pii/S2214629623004152.