

Federalism and Climate change
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“We have an authoritative early warning system: an agreed assessment of some three hundred of the world’s leading scientists of what is happening to the world’s climate....a report of historic significance ...what it predicts will affect our daily lives”. -UK Prime Minister Margaret Thatcher, on the morning of the completion of the UN Intergovernmental Panel on Climate Change scientists (WG1) report, 15 May 1990.

They say that the first NGO in history was created in 1880 in order to promote weather forecast mainly for reasons linked to agriculture and farmers. Let’s hope that the last NGOs will be not those fighting in the field of climate change!

The “Land Beyond” is a civil society organization which was founded in 2013, based in Vitsa, Greece and which combines mental, physical and interactive exercise. Its name stems from the idea of the land beyond the mountains (Zagori) in Epirus, a land of generosity and exaltation. “Beyond” is the prerequisite or even the unknown, something broader than knowledge or experience. Uniform certainties divide people, diversity unites them. Ecumenical values, biodiversity, conflict prevention, open society, federalism. Vitsa is a traditional settlement with unique archaeological, historical and ecological interest.

STOP the climate change is a question of time and of Kairos as well.

Kairos (καιρός) is an [ancient Greek](#) word meaning the right or opportune moment (the supreme moment). The ancient Greeks had two words for time, [Chronos](#) and Kairos. While the former refers to [chronological](#) or sequential [time](#), the latter signifies a time lapse, a moment of indeterminate time in which everything happens. What is happening when referring to Kairos, depends on who is using the word. While Chronos is quantitative, Kairos has a qualitative, permanent nature. Although Kairos originates from and represents eastern values, it lays the foundations for the conceptualization of Chronos within the western civilization context.

The modern world is at a turning point. The world's human population is the largest in history, more people than ever have achieved conditions of democracy, freedom and individual rights. “Despite the ‘extraordinary challenges’ the world is facing – from growing economic inequality and climate change to mass migration and terrorism – if you had to choose any moment in history in which to be born, you would choose right now. The world has never been healthier, or wealthier, or better educated or in many ways more tolerant or less violent,” former US president Barack Obama said recently in his speech, at an event for the Bill and Melinda Gates Foundation at the Lincoln Center in Manhattan. Weakening borders, the internet, transport and travel, as well as new desires and trends, allow and encourage an unprecedented mobility of people, goods, services and capital, as well as the unrestrained production and dissemination of knowledge, information and new ideas. Technology and innovation have reached what once was called science fiction. Informal education, self-education, and lifelong learning beyond the formal structures, all those gave birth to a truly global network along with some common, universal values. The balance between private and public is rearranged to the benefit of the emerging third sector: non-profit and volunteering, aiming at promoting the common good through private initiative, with the tendency or expectation that people take up their personal responsibility and express their solidarity directly. Decisions are increasingly taken in the level closest to the citizens (principle of subsidiarity) and they *make the*

change they want to see in the world. Real self-determination, free choice, freedom of expression, leisure, are beginning to be a universal right, enjoyment and responsibility. The individual becomes free, dominant over himself, on his body and on his mind. Further, “a free society is a society where it is safe to be unpopular” (Adlai Stevenson).

Risks, however, are lurking and new challenges emerge. Climate change brings about serious deterioration of living conditions, possibly threatening human existence itself, while declining biodiversity creates thousands of endangered new species with dramatic effects. A “biological annihilation” of wildlife in recent decades means that the sixth mass extinction in Earth’s history is under way and is more severe than previously feared, according to researchers. Scientists analysed both common and rare species and found out that billions of regional or local populations have been lost. They blame human overpopulation and overconsumption for the crisis and warn that it threatens the survival of human civilisation, with just a short window of time in which to act (peer-reviewed journal Proceedings of the National Academy of Sciences, 2017). Immigration for reasons of necessity and refugees are breaking records. Terrorism and hybrid threats, religious fanaticism and nationalism, undermine the *acquis* and the prospects of peaceful coexistence. They are the products of weak intercultural concertation and international organization, transnational, sub-national and geopolitical tensions, domestic populism and demagoguery, isolationism, extremism and authoritarianism based upon majoritarian democracy. Uncertainty about the present and the future (itself a fair price of freedom) has been increased because of the profound global transformation which creates new gaps and audiences seeking convincing answers and ways out.

A number of factors like the global economic liberation, the redistribution of wealth, the reduction of poverty and inequality of opportunities over the last 30 years, the on-going creation of a global middle class, claiming equal access to education and health, but gradually in culture, tourism and overall quality of life as well, have not given rise to the respective political structures of global conflict prevention and resolution, based upon mutual understanding, intercultural cooperation, global justice, governance and, why not, a limited global government, e.g. global federalism.

The challenge of our times is to limit the risks and widen the achievements. The 17 UN sustainable development goals (SDGs), both for the developed and the developing world, constitute a first response which has to be viable and deepened. That response needs measurement and evaluation, ownership by all states and people, in order to give birth to a new global polity, a new global citizenship which will exist along with local, national and regional citizenships. It needs a European demos for an ecumenical demos.

Therefore, every man and woman is confronted with this new reality. We face a number of personal challenges:

(A) Responding to the instinct of survival, serving basic needs, protection of privacy, personal development, lifelong learning and holistic health and well-being; management of change, of conflict and of uncertainty, the enjoyment of our freedom in the new state of things and the new world order,

(B) Manifesting the instinct of social being and life in common, expressing our deepest existential need for solidarity with other people, the voluntary contribution to tackle the problems faced by others as well as to environmental and climatic sustainability and protection of nature, participating

to free associations, citizens' movements and unions, bequests and any non-for-profit initiative overall,

(C) Complying with the commitments of the social contract, in the local, national, regional and global scale, under the existing forms of democratic organization and protection of human rights, freedom and liberties, with civic education, conscious respect of the rule of law, the spirit and the letter of the laws; without violence and exclusion, but with respect for diversity, through a persisting effort to achieve unity within diversity. To explore new forms of government, with federalist government being the most democratic form of government and to change the law if necessary, but only through democratic rules.

As a result, the official global understanding and formal cooperation coincides with economic development and freedom for all on the one hand and with the privatization of virtue on the other, i.e. the voluntary participation of everyone in the promotion of the common good on Earth.

- We are born free, we live self-esteem and under personal responsibility,
- We care about the others and the creations of nature,
- We participate in the organized community with respect for the rule of law.

These are the three pillars of interest in the "Land Beyond": (1) Liberty and open society, (2) Civil society and volunteering, (3) Federalism and One World.

To which extent should we federalise climate policy, strengths and weaknesses? Because the design and implementation of climate policy in a federal union diverges in important ways from policy design in a unitary government. Environment and climate friendly policies are better implemented and adopted, when those that practice them (all citizens), embrace them based upon a certain feeling of ownership. In a unitary government, ownership of policies is less sound than in federal governments. The same goes for countries with a strong civil society and a strong sense of individual liberty and therefore personal responsibility.

National climate policies built on the assumption of a unitary model of governance are unlikely to achieve the expected outcome because of interactions with policy choices made at the subnational level. In 2012, even before the Trump administration, it was assessed that while Congress had stalled in passing comprehensive climate change legislation, several states and localities have taken steps to reduce greenhouse gas emissions (William Shobe, [Dallas Burtraw](#)).

Most analyses have focused almost exclusively on national policy and even on harmonizing climate policies across countries, implicitly assuming that synthesizing such policies at the subnational level would be mandated or guaranteed. This is not the case, particularly if we take into account the non-federal structure of government. Policies that take advantage of the federal structure of government can improve climate governance outcomes (William Shobe, [Dallas Burtraw](#)). Comprehensive policy should take advantage of subnational autonomy.

People at the local level are in the best position to know their own preferences for government services and to observe the connection between the tax price and the value of the services. A service or authority should be moved away from its lowest geographical extent only in response to a conclusion that doing so is likely to improve social welfare by overcoming some inefficiency, or possibly inequity, inherent to the decentralized approach. These inefficiencies might arise because of strategic interaction among localities, economies of scale in providing services, spillovers across

jurisdictional boundaries, constraints on the power to raise revenues, or gains from interjurisdictional uniformity, among other things (Oates 1999). In some cases issues arise outside the domain of efficiency concerns, such as the desire to ensure the environmental protection of disadvantaged or disenfranchised communities.

Environmental federalism considers what level of government should optimally regulate pollution. The term environmental federalism is frequently misunderstood as referring to the role of the national/federal government in setting environmental policy, and to the flexibility that is offered to the states in implementing and enforcing that policy. Normative analysis of the distribution of responsibilities between layers of government focuses on whether a given distribution of powers can enhance social welfare. It dates back at least as far as Adam Smith, who in his *Wealth of Nations* (1776) observed that it would be preferable for the sovereign (the authority of highest rank) to leave to local authorities decisions about the level and quality of local services such as roads and streetlights, since the local people were in a much better position to know the quality of services and whether the services were worth the cost. The national defense, A. Smith underlined, was better left to the sovereign because the scope of the problem was better matched to the scope of the powers of the sovereign.

The principle of subsidiarity provides that there is a preference for leaving governmental authority to the member states unless there is a compelling reason why the power should rest with the union (Golub 1996). Of particular interest here is the establishment of a trading scheme for greenhouse gas emissions in the USA, which in its earliest phase left to the member states the tasks of creating an inventory of emissions and deciding what portion of their emissions should be made part of the trading program and what should be regulated outside the trading program. This decentralized design was successful politically but undermined the performance of the early implementation phase, and it has been substantially modified, with more decisions to be taken centrally before the third phase of the program started in 2013 (Ellerman et al. 2010; Wråke et al. 2012).

The basic principles of economics make a compelling case for environmental regulation because of the excessive use of our freely available, but scarce, environmental resources. But in a federal system with several levels of government the question involves the locus of regulatory authority. The geographical setting for applying this principle varies among different forms of pollution. In some instances, such as carbon dioxide emissions that contribute to global climate change, all that matters is the aggregate level of emission. The precise location of their emission into the atmosphere doesn't matter, at least for purposes of global climate change. For pollutants of this kind, what we need is a national or a global regulation to restrict emissions.

Oates (2001) uses the three cases of pure local pollution, regional spillovers, and global pollution, to illustrate how the choice of the appropriate level of government depends on the scale of the particular environmental problem. In each case, a local government must determine its response to the pollution problem, which raises local costs through taxes or costs of compliance. Under these circumstances, pushing regulatory authority for the pollutant up to a layer of government with a wider geographic coverage would not be expected to generate gains and might make things worse.

Concerning accidental pollution, government regulates through the ex-post liability regimes of either negligence or strict liability. It is found that decentralizing the choice between these regimes does not, in general, induce the socially optimal outcome. When firms can pay all damages, all regions may choose negligence and impose an overly strict standard of due care. When firms may be bankrupted by damages, all regions may choose strict liability, which induces too little care. Combining strict liability with a bonding requirement may restore optimality as well (Klaas van 't Veld, Jason F. Shogren).

Adelman and Engel (2007) made the curious statement that the complexity of environmental problems does not lend itself to standard optimization methods. This statement is intended to support the argument that multiple levels of government should regulate environmental problems, since that will increase the chance that someone comes up with an efficient regulatory solution. They support their assertion with the informal application of ideas concerning adaptation in biological systems.

Because energy is used in every aspect of economic activity, the large reductions in energy and fossil fuel use needed to meet reasonable emissions reduction goals, if implemented through direct federal USA standards, would require an unprecedented involvement of the federal government in state and local autonomy; an involvement that may easily run afoul of constitutional restrictions on the reach of federal authority. The intrusiveness of federal authority would certainly engender considerable political resistance as emissions reduction requirements became more stringent, which argues strongly in favor of finding methods of implementing reductions that maximize local flexibility.

A closer look suggests that both in theory and in practice the case for a race to the bottom is not very compelling. A standard theoretical model in which government seeks to maximize the well-being of its citizenry reveals no such race. People care about the quality of the environment and a government that fails to respond to these concerns is unlikely to stay in office. Moreover, the existing evidence provides little support for this view.

Under the Reagan administration in the 1980s, several measures were introduced that effectively moved the responsibility for environmental management on a number of fronts back to the states, creating a favorable setting for a race to the bottom. Three empirical studies have carefully examined this episode, and none found any evidence of a competitive reduction in environmental standards. On the contrary, increased state spending on environmental programs and improvements in environmental quality continued unabated through this period.

Benchmarking the policy on pollution, gives an idea of how unambitious Brussels government in federalist Belgium is being. Instead, the city of Milan, in the non-federalist Italy, banned Euro 4 diesel cars in 2013 (unfiltered), while they were still on sale. They did not care about the reaction of the public or the press, as public health was deemed more important than all other concerns. Milan also discussed with neighboring cities about introducing the same standards at times of peak pollution, since particles do not stop at city limits. Brussels has not taken a similar initiative, even though most of the pollution comes from the vehicles of those driving daily into Brussels from elsewhere.

Basic economics thus suggests an important principle for the structure of environmental regulation: polluting activities that degrade environmental quality in a local jurisdiction should therefore be a local responsibility (including the setting of standards). This way, regulatory measures can be tailored to the specific circumstances of each jurisdiction. In contrast, those forms of pollution that reach beyond state or local borders require a national approach to the setting of standards. State or local jurisdictions would then be in a position, either through their own officials or, perhaps, through some kind of referendum, to establish standards and a regulatory framework that address the particular circumstances of local environmental issues (Rethinking Environmental Federalism in a Warming World, William M. Shobe and Dallas Burtraw).

An emissions tax would preserve greater incentive for innovation and initiative at the local level. Given the traditional and constitutional allocations of governmental power in the USA, much greater attention should be given to how any national program can provide incentives to and preserve the autonomy of state and local governments.

The appropriate use of decentralized environmental decision making can have further benefits. In a federal system, state and local governments have the opportunity to introduce new and innovative regulatory measures. They can serve as laboratories in which to conduct experiments that can provide valuable lessons on the potential of new approaches to public policy (Wallace E. Oates, 2009).

Subnational action has several advantages, although none are without a caveat. There exists better information on local conditions and opportunities at the subnational level upon which to base actions. Competition between states can lead to innovation in policy design, and subnational decision making offers commensurately better opportunities to exploit diversity. Local policy choices can better conform to local tastes even as they are aimed at achieving a specified level of emissions. Overall:

-Subnational action advantages: (1) Better information on local conditions, (2) Greater diversity of approaches, (3) Policy design that reflects local tastes, (4) Healthy political economy; enhanced trust and reciprocity.

-National action advantages: (1) Participation in international agreements, (2) Less leakage and spillover, (3) Equal marginal effort across jurisdiction, (4) Enforcement of ethical imperative for collective action.

In general, competition among jurisdictions can improve welfare when the competition for capital investment is balanced by competition for people.

The future of climate policy would seem to be one that embraces and addresses the heart of the federalist relationship. Considerable work needs to be done to understand how the particular institutional and constitutional context determines the design and subsequent results of policies for limiting the effects of global warming. Either as active citizens, as voters and tax payers, or as individuals and business actors the values of the majority determine our attitudes towards climate change.

In the “Land Beyond” we work, study, promote and strive, for liberty, civil society and one world. Freedom, Foundations, Federalism. For the environment and nature, the need to preserve the climate and the advocacy of Climate Justice are an inexhaustible source of inspiration. And vice versa: citizens of the world and federal systems support the environment and the climate justice.