



ASIAN INSTITUTE OF
INTERNATIONAL FINANCIAL LAW
&
CENTRE FOR COMPARATIVE AND
PUBLIC LAW

Seminar

**After Kyoto: International Welfarism and the
Impossibility of Global Carbon Trading**

Professor David Campbell

Durham Law School, Durham University, UK

Tuesday, 3 November 2009, 1:00 - 2:00 pm

Theatre 4, Meng Wah Complex, The University of Hong Kong

The attempt to develop international cap and trade markets for global warming gas emissions, ultimately aiming to determine a global price for carbon, is the most extensive attempt ever made to use market-mimicking mechanisms to deal with an environmental externality. Addressed to the problem of climate change, it is an exercise in the adjustment of the social welfare function on a global scale, and it envisages expenditures which will run into trillions of dollars. This paper will examine the Clean Development Mechanism, the most important of the three flexible mechanisms for carbon trade established under the Kyoto Protocol. Serious concern about the performance of the CDM so far leads to the conclusion that the regulatory problems of creating shadow markets on this global scale are insurmountable. The implications of these problems for regulatory theory after Coase will be explored. The focus is not on the robustness of the claim of global warming but, accepting so far as possible the International Panel on Climate Change's account of that warming, on the plausibility of the global scheme assessed as a problem of regulation.

David Campbell was educated at Cardiff University, UK (BSc(Econ) 1980), the University of Michigan School of Law (LLM 1985), and the University of Edinburgh (PhD 1985). He is a Fellow of the Chartered Institute of Arbitrators. Since 1985, he has taught at a number of British universities and in Australia, Hong Kong, New Zealand, Spain and the USA. He currently is a Professor in the Durham Law School, Durham University, UK. He has written on a wide range of legal and social scientific issues in leading UK, Commonwealth and US journals. His principal recent books are *The Implicit Dimensions of Contract* (with H Collins and J Wightman, eds, 2003), *Remedies in Contract and Tort* (with D Harris and R Halson, 2002), and an edited collection of the works of Ian Macneil: *IR Macneil, The Relational Theory of Contract* (ed D Campbell, 2001). His main current research interests are in remedies for non-performance of contractual obligations and in regulatory theory, and particularly in the development of a 'non-Chicagoan' law and economics of these subjects. He currently is working on a book which restates the relational theory of contract and, with Matthias Klaes, a book on Coase's critique of intervention.

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