

December 2024

US foreign policy should be for peace, security, and climate justice.

As the world's largest economy, most powerful geopolitical state, and biggest historical emitter of greenhouse gas emissions that are driving the climate crisis, the United States has a unique responsibility to rapidly decarbonize at home while enabling just transitions around the world.

Such an approach would constitute a dramatic departure from current US foreign policy. From enabling the genocide of Palestinians to escalating tensions with China to undermining redistributive climate financing for the Global South, US foreign policy is making the world a more dangerous place.

Internationalism is more urgent than ever for the climate movement. Many major global powers– especially China–are poised to continue the push to decarbonization, while the US makes achieving global climate targets more challenging– and makes the geopolitical backdrop more dangerous. At the same time, the right's return to power in the US and much of Europe underscores the dangers of linking climate policies to hawkish geopolitics. It is imperative that the US shift toward a globally just green industrial policy based on the foundations of economic and diplomatic collaboration. While this shift may not emanate from the centers of US policymaking anytime soon, it is imperative for progressive climate and foreign policy advocates to articulate an alternative vision for the US' role in the world–and build the political power to make it a reality.

US foreign policy in the 21st century can be characterized as bellicose, interventionist, and zero-sum. The US pursues its foreign policy objectives through both the hard power of military might and the compulsion of economic forces of a global financial architecture marked by an extreme power imbalance. This approach to international relations is ill-suited to the challenges posed by the ecological crisis–not just climate change, but also the crises of biodiversity loss and intensifying drought. **All of these challenges require cooperation, collaboration, and above all, international solidarity.** Those principles stand in stark contrast to the US's increasingly antagonistic posture on questions of war and



trade, or the policies of major international institutions like the World Bank and IMF where the US wields significant power. Despite mounting criticism, these institutions continue to cleave to discredited economic policy paradigms that are starving most of the world of desperately needed resources to contend with the polycrisis.

Shifting the posture of US foreign policy is often compared to changing the course of a massive container ship: with so much mass and inertia, change is necessarily gradual. But time is not a luxury that the people of Palestine or Lebanon have as Israel drops US made bombs, or that communities in the Caribbean have as storms intensify and seas rise, or indeed the world, in toto, has as the US continues to drag its feet on decarbonization even while it restricts domestic access to readily available renewable technologies like Chinese-made solar panels.

As challenging as it may be to change the course of US foreign policy, there are shifts already underway. The international "rules based order" is under strain as far right governments in the US and Europe break from established institutions like the World Trade Organization while Global South governments increasingly question—and push back on—dictates from Washington, London, and Brussels. There is much at stake as the world stumbles toward new paradigms of international relations in the midst of economic and ecological uncertainty, and the US has an opportunity to facilitate a new era of peace, prosperity, and cooperation—but only if foreign policy priorities and roles in key international fora shift to promote those objectives.

We see three key pathways to meet 21st century challenges by remaking US foreign policy:

- 1. Ending the genocide in Gaza and stop arming Israel
- 2. Cutting military spending, close bases, and clean up military pollution
- 3. Reforming international finance and trade systems for safer climate futures

1. End the genocide in Gaza and stop arming Israel.

US support for the genocide in Gaza and the escalation of attacks by Israel across the region must end. The Israeli government <u>has made it clear</u> that stopping the flow of weapons from the US would seriously restrict Israel's capacity to wage war on civilians, the press, healthcare, education, and the environment in Palestine, Lebanon, and beyond. The United States is currently in violation of its own laws—<u>The Foreign Assistance Act</u> restricts support to any state that "engages in a consistent pattern of gross violations of internationally recognized human rights." A just foreign policy must start with an immediate arms embargo on Israel and a permanent ceasefire.

Ending the genocide in Gaza and curbing Israeli attacks across the region is not simply a matter of principle. **There are direct <u>climate consequences of continuing to arm Israel</u>, and from the genocide itself**. And while the results of the US's unconditional support of Israel's offensive are bad enough on their own merits, they also represent a preview of an even more genocidal future. Failing to stop attacks on civilians and civilian infrastructure signals that entire nations can and will be written off as disposable if it is convenient for power countries to do so– an incredibly dangerous state of affairs as the climate crisis intensifies.

Policy recommendations

Impose a two-way arms embargo on Israel: The flow of military weapons into and out of Israel must stop. Executive action is the most straightforward lever to end military assistance to Israel and stop funding arms and military technology purchases for the Israeli government. The legislative pathways to arms embargo are more complicated, but <u>ceasefire is a popular</u> <u>policy position</u> and it is obvious that only an arms embargo can force Israel to halt its violent campaign in the Middle East. While "joint resolutions of disapproval" for arms sales to Israel recently failed in the Senate, the vote garnered more support than expected. Congress should also pass legislation mandating enforcement of Section 502B of the Foreign Assistance Act which prohibits arms exports to countries systematically engaged in human rights violations. Finally, the Arms Exports Control Act explicitly states that arms can only be sold for defensive purposes—a threshold that Israeli use of US weapons clearly does not meet—and should be strengthened to clarify what constitutes legitimately defensive use of weapons.



Establish constitutional guardrails on campaign spending by lobbying organizations, especially those representing foreign governments: Given the Supreme Court's hostility to any regulation of campaign influencing or lobbying activities, regulatory pathways to curtail the influence of AIPAC and other corrosive lobbying organizations (or individual billionaires), it will be a long, difficult path to reduce their ability to put the thumb on the scales of democracy that ends with a <u>constitutional amendment</u> on campaign finance.

2. Cut military spending, close bases, and clean up military pollution.

The continual injection of weapons and other war-fighting materiel to Israel is emblematic of broader problems in US foreign and "defense" policy, including their intersections with the climate crisis. Most of these problems revolve around the fact that US foreign policy is predicted on and reinforced by the threat of force on the part of the most geographically widespread, well-capitalized militaries in world history coupled with a decades-long track record of deploying weapons and troops, often indiscriminately, around the world. The US spends more on the military <u>than the next nine largest military spenders combined</u> and maintains around <u>750 overseas bases</u>.

All of the material processes that support -and are created by–a foreign policy predicated on the threat of destruction have <u>enormous ecological impacts</u> that are both acute, like air and water contamination at military bases, and diffuse, like the <u>millions of tons of CO2 emitted by the US military</u> and the industrial base that supplies it. Globally, militaries and related industries comprise around 5.5% of total planet-warming emissions (about the same emissions as agriculture) and the US has both the largest emitting military and the largest military manufacturing industry–an industry that is set to further balloon as military spending continues to rise and bellicose US foreign policy drives new armed conflicts to emerge or intensify.

The military budget of the United States is a catastrophe unto itself. In addition to the <u>\$22.76 billion in</u> <u>weapons and other assistance</u> the US has provided to Israel to conduct genocide since October 7, 2023, the FY2O25 Department of Defense budget is \$850 billion. Since 2001, the costs of US military spending and operations are <u>approaching \$10 trillion</u>- a truly unfathomable sum of money that could have helped achieve many of the critical priorities on which the US should be leading, particularly decarbonization.

Policy recommendations

Cut military spending: The Pentagon's budget must be reigned in. The People Over Pentagon Act that proposes <u>cutting \$100 billion of military spending</u> is an example of this approach, but must have binding ratchets to ensure military spending continues to fall. Between 2021 and 2024, Congress made <u>\$6.65 trillion</u> available to the Department of Defense in total budget resources, including 1.99 trillion in 2024, far more than the already outrageous headline figure of \$840 billion when future obligations are included. This level of military spending is fundamentally incompatible with a defensive military posture.

A new round of Base Realignment and Closure: There should be a new round of <u>Base</u> <u>Realignment and Closure (BRAC)</u> to put the US military on a legitimately defensive posture, while also reducing the volume of fossil fuels and other materials that are needed to maintain the sprawling global network of bases. There is precedent for this, as five rounds have been completed since 1988 with bi-partisan support–most recently initiated in 2005. While the executive branch can unilaterally authorize the closure of overseas bases, domestic base closures and realignment must go through Congress with funding for BRAC or a similar process included in the National Defense Authorization Act: the huge annual military spending bill that should be cut with exceptions for priorities like base closure and remediating military pollution.

Clean up military pollution at home and abroad: The executive must direct the Department of Defense to comply with local, state, and Federal environmental rules, and to stop contesting agency-ordered cleanups at DoD facilities. Funding cut from offensive dimensions of the military budget should be partially redirected to the <u>Defense Environment Restoration</u> <u>Program</u>. Workers on cleanup projects must be given adequate protections and be compensated for harms they suffer with legislation similar to the <u>Radiation Exposure</u> <u>Compensation Act</u> (which itself must be reauthorized). As part of international base realignment and closure, Congress must authorize substantial funding to clean up the messes left by US military operations.

Radically reduce arms exports: The <u>Congressional Research Service</u> notes that, "the executive branch, after complying with the terms of applicable U.S. law, principally contained in the AECA [Arms Export Control Act], is free to proceed with an arms sales proposal unless Congress passes legislation prohibiting or modifying the proposed sale." While Congress has not historically taken a firm hand with restricting weapons sales, an update of the AECA to significantly strengthen oversight, including automatic triggers for canceling arms sales in circumstances like the genocide in Gaza, is urgently needed, along with new legislation that imposes broader restrictions on arms sales and transfers.

3. Reform international finance and trade systems for safer climate futures.

The international financial architecture is astonishingly unequal and is intensifying climate vulnerability all over the world. This financial architecture relies on a U.S. dollar-based system, positioning the US and its Federal Reserve as the primary providers of liquidity and the lenders of last resort for the global system. Consequently, the US and its close allies—those with established liquidity arrangements with the Federal Reserve—enjoy access to low-cost dollar financing. In contrast, countries excluded from such arrangements, particularly in the Global South, are compelled to turn to capital markets, where they face significantly higher borrowing costs justified by biased notions of political and currency risk. Credit rating agencies, alongside institutions such as the IMF, wield considerable influence over the borrowing costs of these nations and often shape their domestic policy.

Within this inequitable financial structure, high borrowing premiums translate to steep debt servicing costs, perpetuating a vicious cycle. Countries are forced to divert scarce resources and foreign currency away from critical climate and development goals to meet the demands of foreign creditors. This dynamic is further exacerbated by <u>the accumulation of debt following climate-related disasters</u>, as countries often resort to borrowing to manage the fallout of such events. When liquidity or debt crises inevitably arise, the primary recourse for these nations is to accept Structural Adjustment Programs (SAPs) from the IMF and World Bank. These programs, coupled with the external pressures to prioritize debt servicing, <u>frequently lock countries into environmentally</u><u>harmful activities</u>, such as fossil fuel extraction or expanding plantation agriculture through deforestation, as a means to generate the foreign currency needed for debt repayments. Additionally, SAPs mandate severe austerity measures and encourage privatization and market liberalization. The implementation of these policies curtails national autonomy and stifles opportunities for decarbonization, adaptation, and green industrial development.

Corporate-driven global economic governance enforces trade and investment rules that tighten intellectual property rights, block technology transfer, and restrict tools to support emerging industries in developing countries. <u>Investor-State dispute mechanisms</u> allow corporations to sue nations for using industrial policies or raising labor and environmental standards. These policies harm developing countries by stifling industrial growth, hurt the US by empowering monopolies that suppress labor and environmental standards, and weaken global resilience by limiting industrial diversification and supply chain stability.



Policy recommendations

Leverage the substantial influence of the US in IFIs to move these entities away from their conditionality-based frameworks: The US executive branch, which once used its power to introduce the SAPs framework and embed trickle-down economics in IMF and World Bank policies, can now use that same influence to dismantle this approach. This shift would end the imposition of conditionalities that restrict policy autonomy and enforce harmful austerity measures, which undermine long-term climate and development objectives. Additionally, US representatives, along with US Congress, must end their opposition and embrace governance reforms within these institutions.

Provide resources and support measures to expand fiscal space for Global South countries: US Treasury should support a new allocation of Special Drawing Rights (SDRs), an IMF-issued international reserve asset distributed among member countries and exchangeable for hard currencies. The 2O21 allocation proved that SDRs offer essential supplemental liquidity to all nations, unlike existing central bank arrangements. In addition to supporting a new allocation, US Treasury and its representatives at the IMF should advocate for reforms to allow the redistribution of unused SDRs from countries that do not need them. The US should also support demands for a debt restructuring mechanism and a tax convention to address corporate tax evasion, while engaging constructively in ongoing UN-led negotiations on these issues.

Ensure trade policies that build equitable value chains, support sustainable (re-)**industrialization and deliver on climate commitments:** The US Trade Representative should pursue trade agreements that respect Global South policy autonomy. This involves correcting anti-developmental, anti-labor, anti-environmental, and anti-democratic economic rules and institutions, like Investor-State Dispute Settlement and the proscription of technology transfer policies–all of which inhibit developmental standards.

Instead, it should seek trade agreements that ensure flexibility on intellectual property, local content, and performance requirements for corporations to foster sustainable industrial development in the Global South–including the development of technologies necessary to deliver on climate commitments and hasten global climate mitigation.

The USTR should also respectfully invite developing-country-led efforts to build mutually beneficial industrial—and industrializing—trade relations. Such efforts have to take seriously developing country grievances about the imposition of carbon border adjustments and similar mechanisms that fail to take into account their minimal historic contributions to climate change.



Stop funding false solutions to the climate crisis: The executive should direct international-facing departments and agencies like USAID, Treasury, and the Department of Energy to stop promoting, and facilitating, quick "fixes" for climate change like carbon offset markets, that do more to help corporations avoid climate action, and speculators to make a profit, than to actually reduce emissions. Offsets allow the company or government buying the offsets to continue polluting; <u>decades of evidence</u> shows that these markets are rife with fraud, deception, and mismanagement.

