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Source: *Economic and Political Weekly*, Vol. 52, No. 24 (JUNE 17, 2017), pp. 14-17

Published by: Economic and Political Weekly

Stable URL: <https://www.jstor.org/stable/26695987>

Accessed: 15-02-2024 08:50 +00:00

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Trump's Toxic Announcement on Climate Change

NAVROZ K DUBASH

President Donald Trump's announcement that the United States will exit from the Paris Agreement betrays a fundamental misunderstanding of the way the agreement works. It also goes against long-agreed climate principles, and is blind to emergent clean energy trends. In practical terms, the us had activated a rollback of mitigation policies and contributions to climate finance prior to this announcement. Until there are changes in domestic us climate politics—of which there are positive signs—the us cannot be regarded a reliable partner for global climate cooperation.

Ever since Donald Trump took office as President of the United States (us) in January this year, environmentalists the world over have been asking: will he or won't he withdraw the us from the Paris Agreement on climate change? Now we know. On 1 June, Trump announced that "to fulfil my solemn duty to protect America and its citizens, the United States will withdraw from the Paris climate accord..." (The White House 2017b). This article examines the implications of this statement for the future of the Paris Agreement, the prospects of meeting a global temperature goal, the provision of climate finance, and global climate politics.

However, to understand the implications of this action along these dimensions, it is helpful to first delve into the stated reasons for the us withdrawal, and in Trump's own rather toxic words. Trump said the Paris Agreement will have the effect of "lost jobs, lower wages, shuttered factories," that it "punishes the United States ... while imposing no meaningful obligations of the world's leading polluters," that it is "unfair, at the very highest level, to the United States," and that it will lead to a "massive redistribution of wealth to other countries." This reasoning, such as it is, supports three disturbing interpretations, all of which bode ill for the future of us participation in global climate cooperation.

First, it betrays, intentionally or not, a fundamental misunderstanding of the underlying mechanism of the Paris Agreement (Bodansky 2017; Rajamani 2017b). The agreement is structured around bottom-up voluntary pledges; each country puts on the table what it deems fit in terms of mitigation action and also financial support. The only mandatory elements of the Paris Agreement are procedural ones, such as reporting progress and

regularly updating pledges. Given this entirely voluntary structure, representing the us as a victim fundamentally misinterprets the agreement.

Second, Trump's language seeks to appropriate the notion of fairness in climate politics in a manner that belies a long history of negotiation. Historically, equity and fairness have been determined by which countries have responsibility for causing the problem—in terms of contribution to emissions over time—and which countries are best placed to solve it, in terms of their capacity to address the problem. While the negotiations have long been plagued by contradictory interpretations of these principles, Trump dismisses the very basis for discussions of fairness. Instead he seeks to replace it with the idea that all countries bear equivalent obligations, irrespective of responsibility and capacity. This interpretation rejects, even as a principle, any differential treatment for poor countries or countries that have not contributed much to the build-up of greenhouse gases.

Third, by emphasising the potential economic downsides of climate action—jobs, shuttered factories—the Trump statement seeks to deny the feasibility of a low carbon transition at a reasonable and shrinking cost. Trump's assertions are based on an industry-funded report (NERA 2017) that has been heavily criticised by environmental groups (Steinberger and Levin 2017; WRI 2017). Among the criticisms are that the speech cherry-picks only the highest cost case among several presented in the underlying report, and is based on an assumed low level of innovation in renewable energy. This assertion cuts at a critical understanding that underpinned the political agreement at Paris: that a low carbon energy transition is feasible at a reasonable and falling economic cost. Undercutting this message feeds the political reluctance to address climate change in the us.

The flexible architecture of Paris, the agreement on the underlying conception of fairness, and the promise of a declining cost energy transition were central to agreement in Paris. Conversely, the us denial of all three concepts can have

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a deeply corrosive effect on the agreement. To what extent are these ideas likely to be propagated and affect material outcomes?

Future of the Paris Agreement

The obvious concern following the us announcement of intent to exit is that it will trigger a domino effect, and lead other countries to follow suit. After all, if the country most responsible for the build-up of greenhouse gases over time refuses to act, why should other, smaller, poorer, and lower emitting countries continue to cooperate?

Whether or not this is a real risk depends greatly on the reaction of other countries, particularly other powers. If the us is isolated, and the reputational costs to an exit are high, other defections are less likely. The immediate reactions by other countries are heartening. The European Union (eu) and China reaffirmed their commitment to implementing the Paris Agreement and to hosting a joint ministerial gathering to take this forward (European Commission 2017). French President Emmanuel Macron gave a stirring speech calling on the world to “make our planet great again,” and Prime Minister Narendra Modi has stressed India’s commitment to the Paris Agreement in bilateral meetings with Chancellor Angela Merkel and President Macron. India’s Minister for External Affairs Sushma Swaraj has explicitly confirmed that India would meet its obligations in the Paris Agreement irrespective of any us actions (Hindu 2017). These statements suggest that there may be no takers for Trump’s offer to “re-negotiate” an agreement arrived at after years of gruelling negotiations. And they buttress the agreement, signalling to others that exiting it may not be politically without costs.

Interestingly, the us statement of intent to exit may not be the worst outcome. Another option Trump was reportedly considering, to stay in the agreement but to reduce the us mitigation pledge (or “nationally determined contribution”), may, paradoxically, have been worse. Doing so would have violated the Paris Agreement’s principle of “progression,” by which each new pledge has

to be more ambitious than past ones. Yet, some us environmental groups, in an effort to keep the us in at any cost, have argued that the Paris Agreement allowed for such a step, legally even if not ethically (C2ES 2017), a view that has correctly been challenged forcefully (Rajamani 2017a). Had Trump taken this route, and the effort to legitimise a lower pledge succeeded, it would have sent the signal that any country could, at any time, lower its pledge if it became inconvenient. This would have entirely undermined a central principle of the Paris Agreement—no back-sliding—and rendered ineffective the ability of the agreement to nudge countries onto a virtuous cycle. The formal exit, with its higher political costs, is less likely to lead to a domino effect than the alternative of staying in and watering down its pledge.

An important detail, and one that complicates interpretation of the Trump statement on the agreement, is that a party can only withdraw from the Paris Agreement three years after it enters into force, and withdrawal takes a further year. Hence, despite Trump’s statement that the us will cease to honour its obligations immediately, the us cannot legally withdraw for four years, around the time of the next us election, in November 2019.

This has implications for the ongoing negotiations to elaborate the agreement’s mechanisms. If the us is committed to a withdrawal, it will play a limited role in these negotiations, limiting its ability to weaken the development of important Paris Agreement mechanisms on transparency and review. However, there is also a risk that the us’s stated withdrawal could complicate negotiations, by leaving negotiators guessing at what may be required to induce a future us administration to rejoin the agreement.

In sum, the short-term risk to the stability of the agreement appears manageable, particularly if other powers join forces to buttress it. And there does not seem to be much danger of a renegotiation process. Whether the us will rejoin the agreement at a future date, and under what terms, is a complex question and is dependent on potential shifts in

us politics around climate change in the coming years.

Global Temperature Target

If one were to consider actual greenhouse gas reductions, the prospect of diminished action by the us is alarming. The us accounts for the largest share of cumulative emissions since 1850, about 27%, and emits about 13% of annual global emissions currently, second only to China (WRI 2014). To have any chance of limiting the increase in global average temperature to well below 2°C, as the Paris Agreement states, large emitters such as the us have to limit their emissions.

However, even before he made the announcement, Trump had signed an executive order on Energy rolling back a series of Obama-era measures designed to limit us emissions (The White House 2017a). This order, among other things, sets in place processes to slow down or limit the Clean Power Plan aimed at reducing emissions from the electricity sector, lifts restrictions on using federal land for coal mining, and revisits an important regulatory measure aimed at setting an implicit price on carbon for the purpose of regulatory decisions. The playing field, in short, is being systematically tilted towards greenhouse gas-emitting fossil fuels.

The achievement of its pledge—of a 26%–28% reduction in its emissions by 2025, from a 2005 baseline—was by no means clear even with Obama-era policies, but the Trump order further reduces the likelihood of the us meeting this pledge. For example, one study suggests the effects of these changes are that the us will decrease its emissions by a much lower 15%–18% by 2025 (Larsen et al 2017). us environmental groups argue that the Trump policies may have less effect than expected, both because some of these, such as the Clean Power Plan, are complex to undo, and because market forces are working towards clean energy independent of regulatory measures. While the final outcome is certainly hard to predict, there is little doubt that Trump’s energy order undoes efforts to achieve the us pledge and makes the 2°C limit harder to achieve. For climate-vulnerable countries

such as India, this represents a clear abdication of responsibility.

The emergent counter-trend to this bad news message is that the baldness of the Trump statement appears to have had a galvanising effect on other actors in American society. For example, a network of us cities, states, corporations and universities are preparing a plan to redouble mitigation efforts in order to achieve the original us pledge in Paris (Tabuchi and Fountain 2017). Opinion polls suggest that there is a wide pool of popular support into which such initiatives could tap: a majority of voters in every state were in favour of the us staying in the Paris Agreement (Marlon et al 2017), and 42% think the pullout will hurt the us economy, while 32% think it will help (Langer 2017). These numbers suggest that an intense battle of opinion-shaping and mobilisation around climate outcomes is under way in the us. While the outcome cannot be prejudged, there is at least a possibility that some of the slowdown in mitigation may, over time, be reversed both by market forces and collective action by pro-climate action coalitions in the us.

Implications for Climate Finance

Trump took central aim at financing for climate change action as a key reason why the Paris Agreement is unfair to the us. The proposed Trump budget for 2018 already discontinues funding for the Green Climate Fund and other international climate support programmes, as well as the Advanced Research Projects Agency–Energy, the programme charged with taking further clean energy research and development (Office of Management and Budget 2017: 19). In his announcement, he criticised the Green Climate Fund, ascribed a massive redistribution of wealth due to the Paris Agreement, and singled out India as a country that stood to gain “billions and billions” of dollars. To understand these comments and the ways in which they are misleading, it is necessary to briefly take a detour into the evolution of discussions around climate finance.

Climate finance has long had a bit of an “Alice in Wonderland” quality, in that countries have argued vociferously over

the underlying principle of climate finance, even as remarkably little money has flowed into or shaped actual climate actions. The Paris Agreement enshrines a compromise view on finance:

Support shall be provided to developing country Parties ... recognising that enhanced support for developing country Parties will allow for higher ambition in their actions. (UNFCCC 2015: Article 4, Paragraph 5)

This formulation recognises the principle that developing countries need financing, while also allowing for the fact that developing countries will take some actions with their own domestic financing. No amounts were agreed upon, although in early negotiations developed countries had offered a goal of providing \$100 billion a year from 2020 onward (OECD 2016). In the short term, developed countries have pledged just over \$10 billion.

The us has, in actual fact, only contributed \$1 billion so far, intended to support both mitigation and adaptation for all countries, against a pledge of \$3 billion. As Trump now limits further payment, as he has announced, the us would be the second-lowest contributor in per capita terms among developed countries, at \$3 per capita (the highest, in comparison, is Sweden’s at \$59 per capita). Were the us to contribute its full \$3 billion, it would still rank 11th in per capita terms, at about \$9 per capita (Stavins 2017). It is difficult to understand how these numbers indicate unfairness to the us.

More salient, however, the Trump statement fails to appreciate the extent to which climate finance discussions are shaped by jostling over principle as much as by reality. For example, India has made considerable strides in implementing its pledge to enhance non-fossil fuel electricity capacity entirely with domestic resources, even though India’s Paris pledge does include an estimate of mitigation needs of \$834 billion for “successful implementation” and adaptation needs of \$206 billion. Arguably, India can and should do a better job being more precise and specific about the method through which these numbers were arrived at. But, in the curious, unreal world of climate finance, these numbers are at

least as much about reinforcing the principle of who is responsible, even while action on both climate mitigation and adaptation proceeds with domestic funds.

The lack of finance is unlikely to induce the larger emerging economies, such as China, India, South Africa and Brazil, to slow down the realisation of their mitigation pledges. However, the shortfall in funds will have negative implications, particularly on adaptation programmes in poor and vulnerable nations. Neither any arguments about fairness, based on relative contributions, nor arguments about other countries pulling their weight, provide even the smallest justification for the us pulling back on its agreed, and so far very limited, contribution to climate finance.

Global Climate Politics

What, collectively, does all this imply for global climate politics and outcomes? To begin with, the deleterious effects of Trump’s policies on us emissions and on finance were apparent even before the announcement on the Paris Agreement (Kemp 2017). The rollback of Obama-era emission reduction policies and the withdrawal of funding for international climate programmes will undoubtedly have directly negative consequences. They will slow the pace of global emission reductions and, unless compensated by other countries, reduce the quantum of funds available for developing countries. The announcement to exit the Paris Agreement does not modify these effects, for better or worse.

However, its real potential effects are political and operate at three levels. First, based on initial reactions, the Trump announcement is unlikely to lead to a deleterious domino effect of other countries exiting from the Paris Agreement. The statements from other powerful countries and regions, such as the EU, China, and India, are reassuring in this regard. There is no indication whatsoever that countries are considering reopening negotiation. Confronted with the Paris Agreement potentially under threat, the early indications seem to be that other countries are willing to set aside their residual concerns about the agreement and coalesce around keeping Paris intact.

As has been mentioned, the alternative—of the us staying in the Paris Agreement but lowering its pledge—may have had a more destructive effect.

Second, mobilisation by states and cities, and by civil society and business signal a strong latent constituency for climate action in the us, which has also been energised by the Trump announcement. In addition to taking action to compensate for federal inaction, these actors could provoke a deeper and more robust debate on climate change in American politics. The result is not a foregone conclusion; Trump was clearly playing to a social base that continues to harbour deeply negative views about Paris. But if a decisive majority is to be forged in favour of climate action, a catalyst such as the Trump announcement may well have been needed. Climate change is now likely to be firmly on the radar for the next presidential elections; continuing with low-level political skirmishes may not have resulted in this opening.

Third, the tone and tenor of the Trump remarks, and their narrative break with key concepts—agreement on the architecture of climate cooperation, key principles, and direction of travel towards cleaner energy—signal the futility of any further accommodation of the us. The climate announcement is of a piece with a much-discussed recent article by the us National Security Adviser and Chief Economic Adviser that proclaims:

... the world is not a “global community” but an arena where nations, non-governmental actors and businesses engage and compete for advantage. (McMaster and Cohn 2017)

The long and contentious history of climate negotiations indeed suggests the world is not a perfect global community. But it also suggests that a purely transactional, competitive view, one that belies important shared principles and that refuses to honour hard-won past agreements, is not a basis for engagement on a complex subject such as climate change. An article in *Nature Climate Change*, anticipating this decision, argued that from a global perspective, the us is “Better Out Than In” (Kemp 2017). Given that weak mitigation actions and lower finance would have happened anyway,

given the hopeful upsurge in mobilisation globally and in the us, and, above all, given the toxic language that denies room for dialogue and new understandings, until climate politics changes for the better in the us, better out than in is an apt conclusion.

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