An Economic Perspective

Authority, Credibility, Influence: What U.S. Loses in Paris Pullout

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resident Trump's decision to withdraw the United States from the Paris Agreement on climate change was, in my view, misguided. And the justifications Trump provided were misleading, and to some degree, untruthful. The president stated, "The Paris climate accord . . . disadvantages the United States to the exclusive benefit of other countries, leaving American workers ... and taxpayers to absorb the cost in terms of lost jobs, lower wages, shuttered factories, and vastly diminished economic production." The reality is that leaving the accord will neither bring back jobs nor help the taxpayer, but will most certainly hurt the United States and the world.

Global reaction featured utter

dismay about what the president was actually trying to say. Trump declared, without seeming to understand the terms and dynamics of the agreement, "I will

withdraw from the Paris climate accord but begin negotiations to reenter either the Paris accord or an entirely new transaction on terms that are fair to the United States." Renegotiation was and is a nonstarter; within hours of the announcement, world leaders had rebuked the idea.

Further, the treaty requires that any party wishing to leave wait three years from when the agreement came into force in November 2016. Once withdrawal is initiated, it takes another year before the process is complete. The United States will essentially remain in the agreement for the remainder of Trump's term.

The idea of "unfairness" is equally puzzling since the agreement is nonbinding. Each party determines its own targets. If Trump feels that Obama's intended contribution to the Paris accord was unfair, he can

simply reset it, rather than pull out of the accord altogether.

In reality, the Paris Agreement is more than fair to the United States. It answers all of Washington's demands, going back to the bipartisan Byrd-Hagel Resolution of 1997, in which the U.S. Senate voted 95-0 against the ratification of any international climate agreement that did not include the large emerging economies of Brazil, China, India, Mexico, and South Korea.

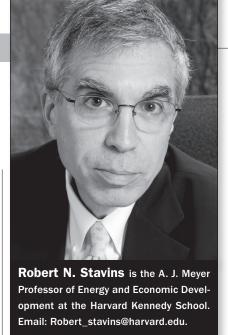
After more than 20 years of negotiations, the agreement was a breakthrough, increasing the scope of participation from countries accounting for just 14 percent of global emissions in the current commitment period of the Kyoto Protocol to countries ac-

> counting for fully 97 percent. Other longstanding U.S. demands that the Paris Agreement fulfilled included granting all countries the right to determine their own

targets, as well as demanding transparency from countries when reporting their emission levels. In other words, the Paris Agreement was the answer to Washington's bipartisan

Trump's decision to withdraw from Paris is a rebuke not only to heads of state and government around the world, but also to key officials of his own administration, such as Secretary of State Rex Tillerson, who strongly supported the agreement when he was CEO of Exxon-Mobil and argued in favor of remaining a party to the agreement after joining the administration. There was also exceptionally broad-based support for the agreement within U.S. private industry.

The potential damages of our withdrawal are immense, particularly the reduction in U.S. influence. By



retracting its participation, the United States loses its ability to pressure other countries to do more. More broadly, at a time when Washington needs global cooperation on matters of national security, trade, and other issues, it is counterproductive to will-

ingly become an international pariah.

For Trump's base, however, the move was perceived in very positive terms. The president fulfilled a campaign promise, and exiting the Paris Agreement aligned with his America First rhetoric, which builds on nostalgia for an earlier (and whiter) America with its long-gone manufacturingbased economy, plus doses of xenophobia, hostility to immigration, fear of globalism, and opposition to multilateral agreements. Galvanizing his base may have been the real motivation for announcing the Paris exit, as it came at a time when the administration is facing grave questions and challenges from congressional hearings and Justice Department investigations regarding the Trump campaign's ties to Russia.

The president's decision to withdraw the United States from the Paris Agreement was not based on real science or sound economics, but on a confused and misguided desire to score short-term political points with his supporters. What the president sacrificed for the long term will be immensely more difficult for the country to win back at the ballot box: authority, credibility, and influence.