



A Changing Climate:
Effects of the US Withdrawal from
the Paris Climate Agreement and Its
Implications for Visegrad Countries

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Abstract: *US President Donald Trump's announcement in June on the American withdrawal from the Paris Climate Agreement created a huge uproar, and cast doubts upon the future of international efforts to curb anthropogenic global warming. Although several US states and cities have pledged to step up their environmental efforts, the repercussions of the American decision will still be widely felt. While some have called this step the end of the road for multilateral negotiations on the issue, others have remained cautious, citing the underlying economic and political trends that may help salvage the progress made so far.*

This analysis attempts to evaluate some of the main consequences of the US pullout from the Paris Climate Accord, with a particular focus on the impacts, and potential opportunities, from the perspective of the Visegrad countries (Poland, the Czech Republic, Slovakia and Hungary).

THE PARIS CLIMATE ACCORD

The long-awaited Paris deal was a major milestone in the global effort to fight anthropogenic climate change under the aegis of the United Nations Framework Convention on Climate Change (UNFCCC), established in 1992. The purpose of the landmark Paris Agreement, signed in December 2015, was to limit anthropogenic global warming to below 2°C compared to pre-industrial levels by the end of the century. The non-binding treaty was signed by a total of 195 states.

Already during the 2016 US presidential campaign, Donald Trump had hinted he may advocate a US withdrawal from the Agreement if elected, going so far as to call the entire phenomenon of global warming a [Chinese hoax](#). His [announcement on US withdrawal](#), officially made from the White House Rose Garden on 1st June, means the United States will join the only other two countries that have opted to stay out of the deal, namely Syria and Nicaragua. [Calls for a possible renegotiation](#) of the accord to ensure US participation were swiftly put down, although the legal circumstances of such a withdrawal remain largely unclear. Nonetheless, the Trump administration's decision is clearly a negative message and undermines the global consensus on tackling climate change.

REACTIONS FROM THE VISEGRAD COUNTRIES

The announcement was met by harsh international criticism and widespread condemnation by both signatory states and civil society. Many US companies and states have individually pledged to step up environmental protection efforts despite the decision by the Trump administration. The European Union, in particular, was almost entirely unanimous in its rejection of the move; this sentiment

was echoed by high-ranking public officials in Hungary, the Czech Republic and Slovakia.

Czech Prime Minister Bohuslav Sobotka took to [Twitter](#) to share his views: "This wrong decision by President Trump will weaken the Paris Agreement, but it will not destroy it. It is a shame that the US is isolating itself in a matter so important to the whole planet." Slovakian President Andrej Kiska [wrote](#): "A sad day for our planet. Effort to address climate change is not a question of political opinion, but basic responsibility. #ParisAgreement". Hungarian President János Áder [called the step](#) "morally unacceptable" and a sign of "disrespect and irresponsibility towards future generations".

The only outlier in this torrent of heavily-worded reactions was Poland: coal remains the backbone of its energy sector, and the Polish political elite is traditionally rather skeptical of Brussels' ambitious and zealous efforts to fight climate change and to tighten environmental standards. The deputy minister for energy, Grzegorz Tobiszowski, [personally praised](#) President Trump's decision. His statement was made at a particularly telling moment, namely the signing of an agreement on the construction of an additional coal-fired power unit in the southern city of Jaworzno, which is already among the most heavily polluted areas of the European Union.

The reactions and the rhetoric to the Trump administration's announcement have indeed been harsh, but some of the underlying economic and political dynamics behind the scenes are still cause for (moderate) optimism on climate change. The following sections will therefore examine five key takeaways in this regard, focusing specifically on their consequences for Central European countries.

KEY TAKEAWAYS

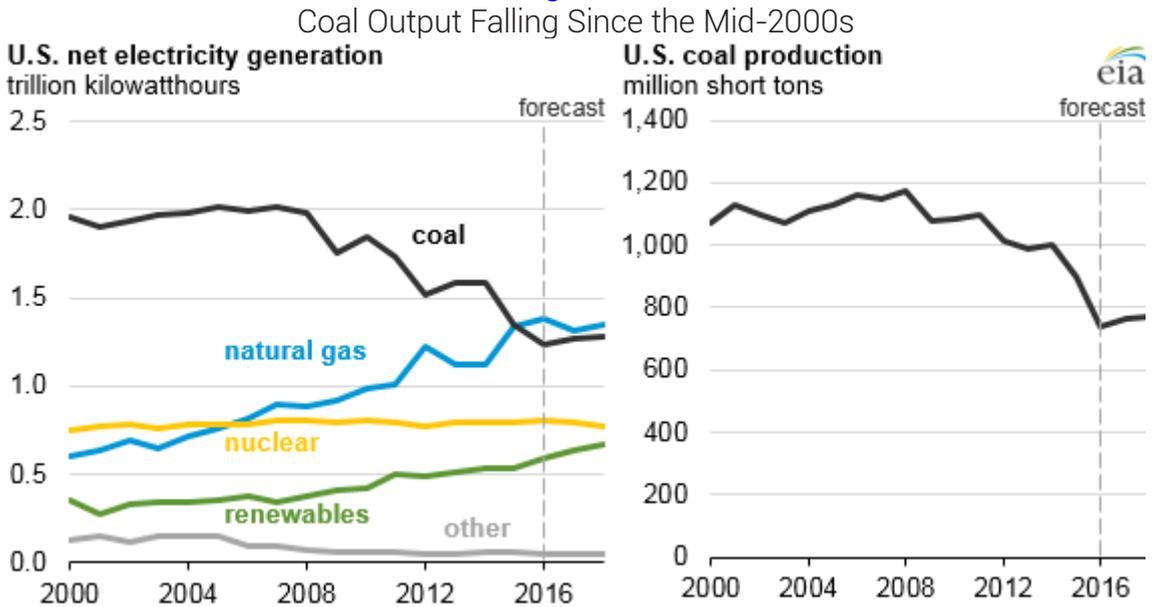
1) The Coal Industry's Decline Will Not Be Reversed

In line with the promises he made to blue-collar workers on the campaign trail of the 2016 presidential race, Trump justified his decision to leave the Paris Climate Accord by the need to facilitate economic growth in the United States, and to support the domestic coal and crude oil industry. The US currently accounts for approximately [15% of global CO₂ emissions](#); however, it is quite telling to point out that this figure is still smaller than its [share of global GDP](#), which stands at slightly above 20%. Despite the well-worded promises for a swift rehabilitation of the highly polluting coal industry, this will probably not prove so simple in practice. According to most experts, the coal industry may experience a [slight pick-up](#) on the back of Trump's announcement, but will continue to decline both in the United States and abroad over the long-term, due to a growing focus on its environmental effects and the falling prices of renewable energy. This is not a new trend: already between 2011 and 2016, [US coal output decreased by 27%](#), crowded out by abundant and



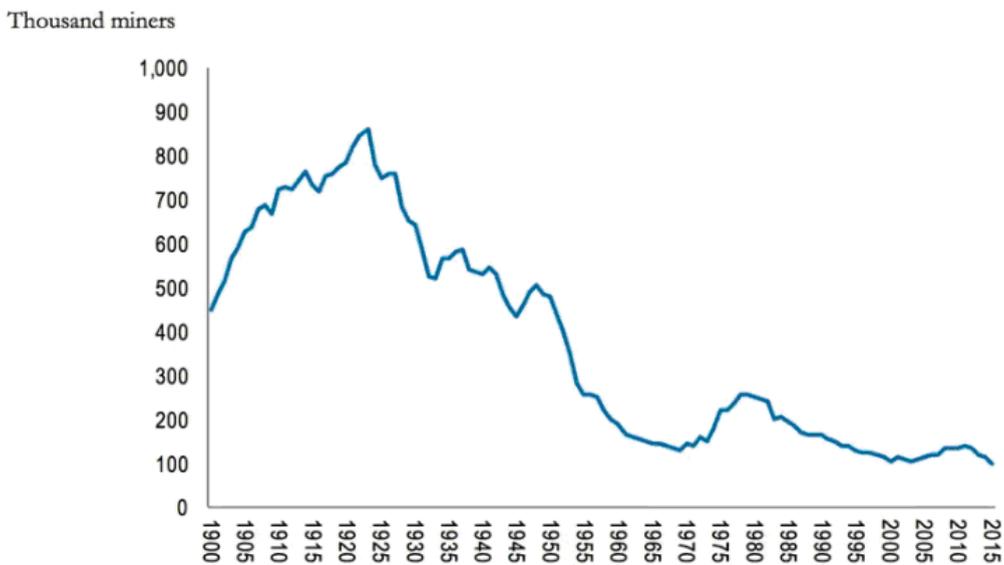
cheap shale gas produced via hydraulic fracturing and horizontal drilling. (The environmental footprint of 'fracking' is often debated: while it allows less greenhouse gases into the atmosphere, its immediate effects on, amongst others, groundwater and earthquakes have also been documented.) As a result, US emissions are expected to decline on the medium-term despite President Trump's pledges. While this is certainly good news for the planet as a whole, it dims any expectations for a major rise in coal industry employment in the US.

[Figure 1](#)



[Figure 2](#)

Coal Industry Employment on the Decline Since the 1930s



Coal use is also a heated issue for Visegrad countries, particularly Poland, and – albeit to a lesser degree – the Czech Republic. While a lack of excess natural gas in Europe means that coal could remain profitable for a longer period than in North America, the overarching trend of a decline in coal does not bode well for the industry. This downturn of economic fortunes coincides with rising public pressure to tackle environmental problems linked to global warming, such as cases of heavy air pollution. According to reports by the World Health Organization, Poland is home to over 30 of Europe's 50 most polluted cities, due both to its dependence on coal as well as the government's reluctance to support renewable energy technologies. In fact, the city of Skała, just north of Kraków, [surpassed Beijing in terms of air pollution levels](#) last year. Overall, coal seems to be declining for a mixture of political, business and societal reasons, a trend that Central and Eastern European countries should also take note of.

2) Renewables Are Booming

The second major takeaway is that despite the US decision, the renewable energy sector is expanding dynamically, and is expected to continue to do so over the coming decades. Falling prices, rising technological efficiency, and a growing market share for more sustainable sources of electricity generation are the major driving forces behind this change. While there are still technological issues to sort out regarding stability and energy storage, this boom in renewables is unfolding despite the fact that fossil fuels still benefit from a much greater share of public finance. [Recent reports](#) show that budgetary support for fossil fuels is four times higher than for renewables in the G20 countries. Another sign of the coming age of renewables is an increasing share in total employment. According to the International Renewable Energy Agency's (IRENA) [analysis](#), the renewable energy industry employed almost 10 million people globally in 2016, with most jobs in the solar photovoltaic sector. This is expected to rise over the coming years, even if we do not take into account the jobs indirectly generated by green energy (i.e. IT sector, engineering, utility companies, etc.).

Visegrad countries are geologically well-endowed to benefit from a boom in renewable energy: solar and geothermal energy seem to be the most likely candidates, but coastal parts of northern Poland hold potential for wind energy too. As indicated above, the side effects of an expansion of the green energy sector could generate economic benefits in our region as well, i.e. in the fields of education, manufacturing, engineering, IT, etc.



Figure 3
Global Renewable Energy Employment, 2012–2016
(Almost 10 Million People)

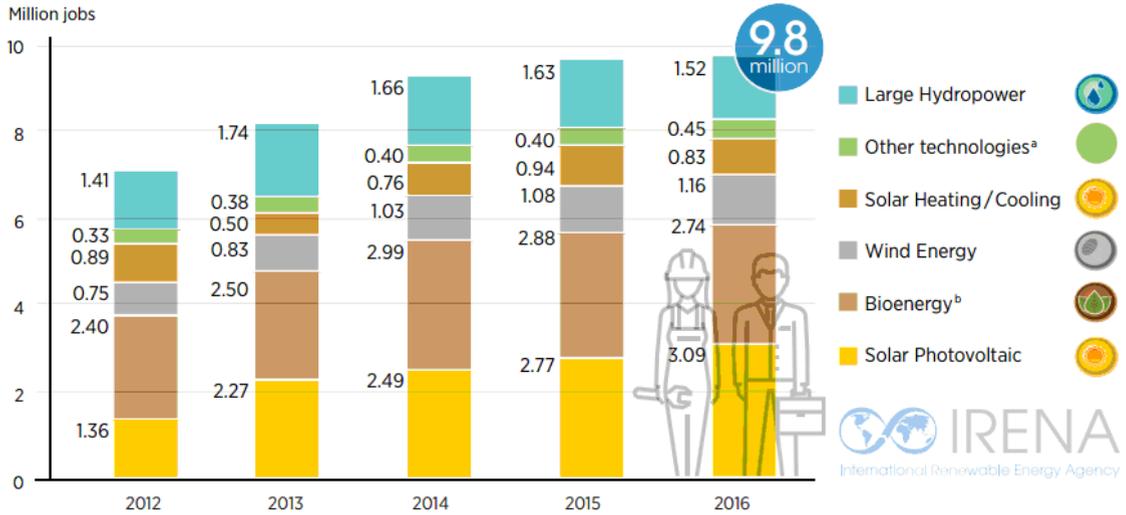
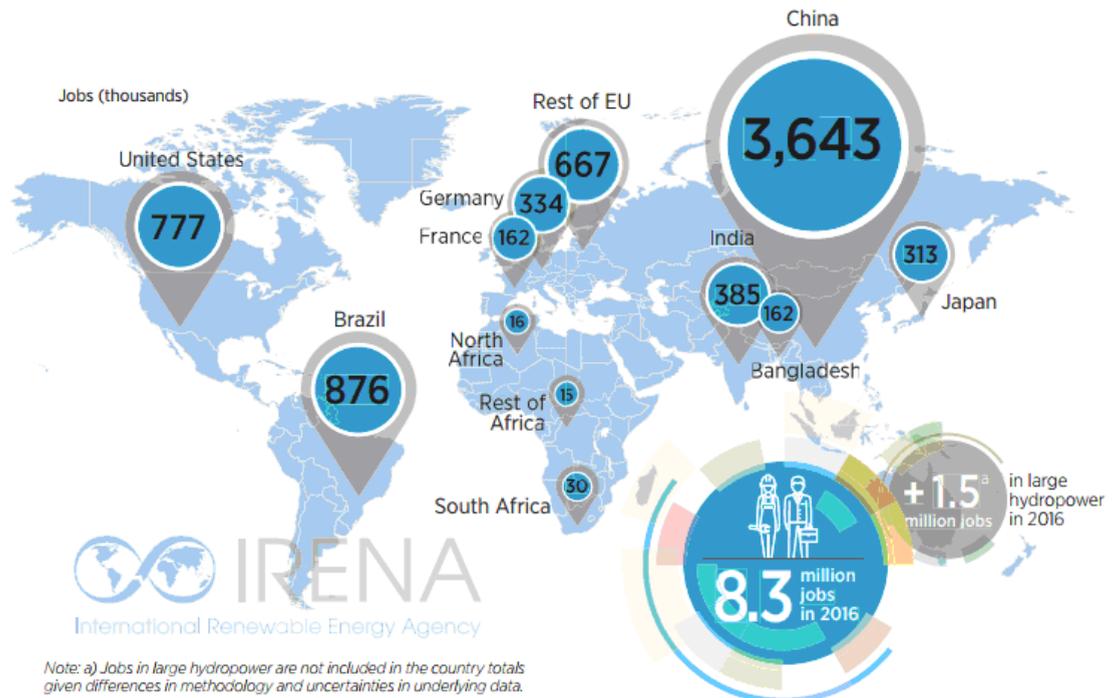


Figure 4
Renewable Energy Employment in Selected Countries
(The First Four: China, the European Union, Brazil and the United States)

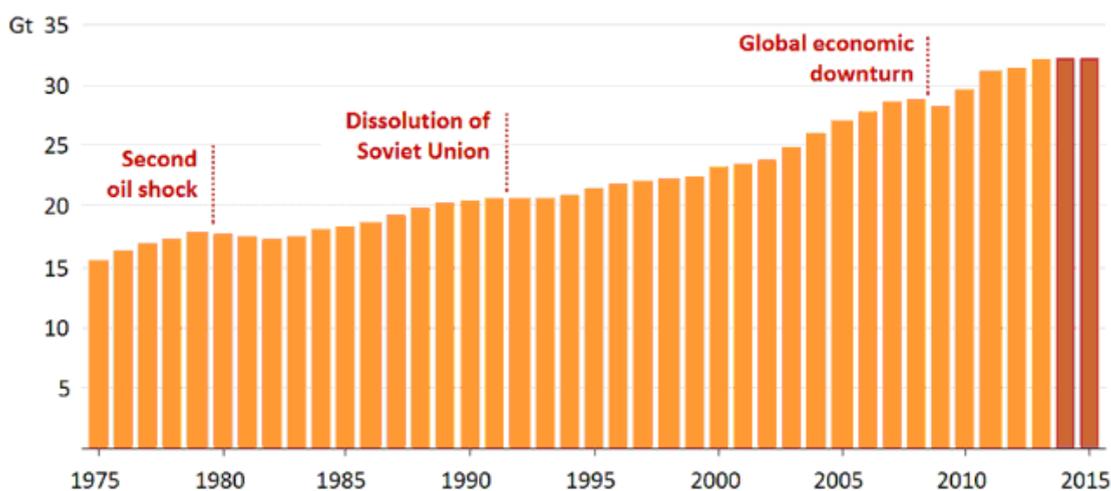


3) The “Growth vs. Green” Dilemma Has Been Superseded

A third unfolding change despite the US decision to withdraw from the Paris Climate Agreement is a massive shift under the radar concerning how we think about energy and growth. There is a long-held tenet that economic growth (both in nominal and real terms) naturally corresponds to a rise in emissions, and therefore countries and governments must make difficult choices in the trade-off between growth and going green. This traditional view, however, no longer holds true. As data from the International Energy Agency (IEA) shows, 2014 was the first year on record that [energy-related CO₂ emissions decoupled from GDP growth](#), and that trend has been continuing ever since.

Figure 5

Emissions Are Decoupling from GDP Growth



The ‘growth vs. green’ dilemma is therefore a thing of the past: from now onwards, it is highly likely that clean energy and climate adaptation can potentially catalyze economic growth. Green energy has, in fact, emerged as one of the most dynamically expanding industries in Europe, and is creating more and more jobs. This may potentially prove even more beneficial for the Visegrad countries, which boast steady growth levels but relatively low per capita energy use by EU standards: green growth could thus provide an additional avenue for development. Since any growth achieved will not necessarily lead to a rise in harmful pollution, this presents a huge opportunity for our region.

4) Global Diplomatic Leadership on Climate Change Is up for Grabs

Donald Trump's announcement has been interpreted by many as an abdication of America's global leadership role on the issue of climate change. This would mark a strong contrast to the personal commitments and strong activist role taken on by former president Barack Obama, but is certainly not a novel approach.



The US has played the role of a spoiler in climate negotiations already from the 1990s onwards (i.e. with regards to the Kyoto Protocol, which it refused to ratify). With a waning US presence on the global warming front, other players, particularly China and the European Union, are often mentioned as candidates to possibly fill this void.

The reasons for China potentially emerging as the global leader on climate issue are varied. It is a chance for the Asian country to demonstrate its peaceful rise and responsibility as a global power. In addition, there are growing domestic concerns surrounding pollution and environmental sustainability that may ultimately undermine the political stability of the country, and would therefore need to be addressed quickly. In addition, China's economic model is shifting away from export-led growth towards domestic consumption, coinciding with the growth of a middle class; this transition is likely to prove less harmful environmentally.

Nonetheless, the European Union has a much longer track record on environmental sustainability than China, and is often considered a more reliable partner in this regard. The US decision is consequently a chance for the EU to potentially take on the mantle on global climate leadership, thereby potentially [deepening ties with China](#). The EU has always proved very ambitious and forward-looking on environmental issues, but until now has generally taken the backseat on the diplomatic front to larger polluters (i.e. China and the United States). The key question is whether the US decision to withdraw from the Paris Climate Accord will solidify the EU's commitment to combating climate change. So far, there has been staunch support from EU leaders for continuing the fight against global warming. Climate change is a rare issue on which the EU is generally united, at a time when it is sorely divided along many other lines, be that austerity measures and the aftershocks of the Eurozone crisis, migration, populism, terrorism, etc. There are, however, some internal energy-related divisions within the EU that could pose problems: Poland and Greece, for instance, tend to be pro-coal, whereas Ireland is protective of agricultural emissions. Climate issues may not be able to unite Visegrad countries, given Poland's stance on the issue, but will certainly be on the agenda of the current Hungarian V4 presidency.

5) Energy Diplomacy Remains High on the US Political Agenda

Despite what appears to be a setback on the climate front, traditional "pipeline politics" and energy diplomacy remain key issues for US foreign policy, and this has major repercussions for Visegrad countries as well. In Central and Eastern Europe, questions of environmental sustainability are strongly linked to energy, which is a politically sensitive issue, especially in light of the dependence on Russian natural gas imports. The possibility of deepening Visegrad–US ties concerning energy in the years to come became apparent during the visit of President Donald Trump to Warsaw in early July 2017. In his speech, President Trump vocally supported the so-called "Three Seas Initiative", meant to unite countries located between the Baltic, the Adriatic and the Black Seas. The [role of American liquefied natural gas \(LNG\) imports](#) has also increased in recent years, with Poland and the

Baltic states leading the way in this regard. The [first shipments of American LNG](#) arrived at Poland's Świnoujście terminal in June. These developments may provide an additional impetus for completing the southern leg of the north–south energy infrastructure corridor between Visegrad states, and may herald a reinvigorated American diplomatic involvement in the region.

[Figure 6](#)

The Świnoujście Terminal Received Its First Shipment of American LNG in June 2017



OUTLOOK AND CONCLUSIONS

It is too soon to tell what the exact political repercussions of President Trump's announcement will be. Nonetheless, the trends outlined above suggest that although the potential US withdrawal from the Paris Climate Agreement may hinder the global environmental movement to some degree, this has its own momentum which is unlikely to be completely derailed in the coming years. The decline of the coal industry and the rise of renewable energy are two major dramatic shifts we may anticipate on the business front, while European or Chinese leadership on climate issues could transform the political outlook. The countries of Central and Eastern Europe should therefore attempt to make use of the new opportunities which present themselves in this changing environment (such as renewable energy, job creation, economic growth, climate/energy diplomacy) while steadfastly upholding their commitment to 'green' ideals.