

Headline: The G20's time for climate leadership

Byline: Teresa Ribera

Published Date: 12:14 AM April 26, 2017

Section: opinion

Word Count: 4200

Content:

Paris—At the start of 2016, the United States was well positioned to lead the global fight against climate change. As G20 chair for 2017, German Chancellor Angela Merkel had been counting on America to help drive a deep transformation in the global economy. And even after Donald Trump won the US presidency, Merkel gave him the benefit of the doubt, hoping against hope that America might still play a leading role in reducing global greenhouse-gas emissions.

But at Merkel and Trump's first in-person meeting, no substantive statements were issued, and their body language made the prospect of future dialogue appear dim. Trump's slogan "America first" seems to mean "America alone."

By reversing his predecessor's policies to reduce CO2 emissions, Trump is rolling back the new model of cooperative global governance embodied in the 2015 Paris climate agreement. The countries that signed that accord committed themselves to sharing the risks and benefits of a global economic and technological transformation.

Trump's climate-change policy does not bode well for US citizens—many of whom are now mobilizing resistance to his administration—or the world. But the rest of the world will still develop low-carbon, resilient systems. Private- and public-sector players across the developed and developing worlds are making the coming economic shift all but inevitable, and their agendas will not change simply because America has a capricious new administration. China, India, the European Union, and many African and Latin American countries are still adopting clean-energy systems.

As long as this is the case, businesses, local governments, and other stakeholders will continue to pursue low-carbon strategies. To be sure, Trump's policies might introduce new dangers and costs, domestically and worldwide; but he will not succeed in prolonging the fossil-fuel era.

Still, an effective US exit from the Paris Agreement is a menacing development. The absence of such an important player from the fight against climate change could undermine new forms of multilateralism, even if it reinvigorates climate activism as global public opinion turns against America.

More immediately, the Trump administration has introduced significant financial risks that could impede efforts to address climate change. Trump's proposed budget would restrict federal funding for clean-energy development and climate research. Likewise, his recent executive orders will minimize the financial costs of US businesses' carbon footprint, by changing how the "social cost of carbon" is calculated. And his administration has insisted that language on climate change be omitted from a joint statement issued by G20 finance ministers.

Given the heightened financial risks associated with climate change, resisting Trump's executive order to roll back Wall Street transparency regulations should be a top priority. The fact that Warren Buffet and the asset-management firm Black Rock have warned about the investment risks of climate change suggests that the battle is not yet lost.

Creating the G20 was a good idea. Now, it must confront its biggest challenge. It is up to Merkel and other G20 leaders to overcome US (and Saudi) resistance and stay the course on climate action. They can count as allies some of the world's large institutional investors, who seem to agree on the need for a transitional framework of self-regulation. It is incumbent upon other world leaders to devise a coherent response to Trump, and to continue establishing a new development paradigm that is compatible across different financial systems.

At the same time, the European Union, which is marking the 60th anniversary of the Treaty of Rome this year, now has a chance to think about the future that it wants to build. These are difficult times, to be sure. But we can still decide what kind of world we want to live in. Project Syndicate

Teresa Ribera, director of the Institute for Sustainable Development and International Relations in Paris, was Spain's secretary of state for climate change.

Subscribe to our daily newsletter

By providing an email address. I agree to the Terms of Use and acknowledge that I have read the Privacy Policy.