

# COPENHAGEN CONSEQUENCES

*Analysis of the 2009 Copenhagen U.N. Climate Change Conference*

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## The Copenhagen Conference: A Setback for Bad Climate Policy in 2010

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The December 2009 United Nations climate conference in Copenhagen capped off what must have been a very disappointing year for global warming activists and their allies in Washington. The year began with high hopes that the new Congress and Administration would enact global warming legislation and sign up the U.S. to a new global warming treaty. It ended with that legislation stalled in the Senate and with the Copenhagen conference concluding with an agreement so weak that it represents a step backward for the U.N. treaty process.

The reality is that restrictions on energy use in the name of fighting global warming are a costly and ineffective solution to an overstated threat.<sup>1</sup> That reality emerged in Copenhagen and will remain a major obstacle to an ill-advised climate treaty or legislation in 2010.

### What Does the Final Copenhagen Agreement Contain?

Practically nothing. Copenhagen had long been hyped as the conference where a new set of stringent,

binding, verifiable, and internationally enforceable greenhouse gas emissions targets were to be agreed upon for the decades ahead. The targets in the existing 1997 Kyoto Protocol—generally a 5 percent reduction below 1990 emissions levels for developed countries—are scheduled to expire in 2012. And in any event, global warming activists considered the Kyoto Protocol too weak to save the planet.

There were some initial discussions of requiring up to 30 percent cuts by 2020 for developed nations.<sup>2</sup> And with the Bush Administration gone in 2009, many in the international community felt that the path was clear for the Obama Administration to finally include America in these mandatory emissions reductions. Some also hoped that developing nations, especially fast-growing China and India, would give up their exemptions in the Kyoto Protocol and also go along with emissions targets. Emissions growth from these major developing nations will dominate in the decades ahead; thus, a treaty without significant commitments from them would be ineffective in seriously

1. For a discussion of the current state of global warming science and the likelihood that a U.N. treaty could substantially reduce any risks, see Ben Lieberman, "What Americans Need to Know About the Copenhagen Global Warming Conference," Heritage Foundation *Special Report* No. 71, November 17, 2009, at <http://www.heritage.org/Research/EnergyandEnvironment/sr0071.cfm>.

2. See Michael von Bulow, "EU: Climate Deal Should Cap Emissions by 2020," Associated Press, December 4, 2009, at <http://en.cop15.dk/news/view+news?newsid=2827> (January 19, 2010).

altering the upward trajectory of emissions in the coming decades.<sup>3</sup>

None of these things happened at Copenhagen. The final accord contains no tough binding new targets—or even weak ones.<sup>4</sup> All that was left after two weeks of meetings was some vague language to the effect that it would be nice if each country decided on its own to reduce emissions. Even this face-saving language had to be pared back at the behest of China and other developing nations who did not want the final agreement to even hint that they might be obligated to do something.

Equally non-binding promises from developed nations to provide finance to poor countries and move forward with international monitoring of emissions are similarly meaningless. Also dropped was a provision requiring the parties to agree to binding targets in 2010. And as meaningless as the final accord is, the United Nations could not even agree to it—it merely stated that it “takes note” of the final accord.

### **Can the United Nations Process Get Back on Track in 2010?**

While proponents try to spin the Copenhagen agreement as progress toward a more substantive treaty in 2010, the actual accord tells another story. Even many environmental activists are wondering whether the U.N. process should be scrapped entirely in favor of alternative approaches such as direct meetings amongst major emitting nations.

None of the outstanding issues have been resolved or even narrowed, in particular the rift between the developed world and major developing nations. To his credit, chief U.S. negotiator Todd Stern held firm to the position that China must agree to meaningful emissions reductions despite its insistence to the contrary.<sup>5</sup>

The U.S.–China impasse will most likely continue into 2010. And given the lingering global recession, the willingness of nations to undertake economically damaging emissions reductions will not be any greater in 2010 than in 2009. Overall, the likely result of Copenhagen is no substantive global warming treaty for the foreseeable future.

### **Does the Accord Create Momentum for Global Warming Legislation in the Senate?**

Just the opposite. The concerns raised by Senators reluctant to sign on to the Kerry–Boxer bill have only been heightened by the Copenhagen fiasco. In particular, Senators from manufacturing states are worried about losing jobs to China, India, and other developing nations that would not be subject to comparable energy-price raising measures.<sup>6</sup>

A global agreement with meaningful participation from the developing world could, at least in theory, reduce the risk of an unfair advantage and the resultant outsourcing of American manufacturing jobs, though it should be noted that the costs to all participating nations would have still been great. But the developing world is now boasting that it gave up no such ground at Copenhagen.<sup>7</sup> Indeed, the developing world’s insistence on remaining exempt was the primary reason the final accord is so weak.

Given the failure of Copenhagen to level the global playing field, the risk that domestic legislation would unilaterally damage the U.S. economy and its citizens has only been increased. Overall, the result at Copenhagen will likely scare off Kerry–Boxer fence sitters, as well it should.

### **Would a Much Stronger Copenhagen Agreement, as Initially Intended, Have Been Bad for America?**

Yes, and in many ways. The Obama Administration’s initial position at Copenhagen closely matched the

3. Ben Lieberman, “What Americans Need to Know About the Copenhagen Global Warming Conference.”

4. United Nations Framework Convention on Climate Change, “Copenhagen Accord,” December 18, 2009, at <http://unfccc.int/resource/docs/2009/cop15/eng/l07.pdf> (January 19, 2010).

5. Juliet Eilperin, “U.S. Pushes for Emissions Cuts from China, Developing Nations,” *The Washington Post*, December 10, 2009, at <http://www.washingtonpost.com/wp-dyn/content/article/2009/12/09/AR2009120904596.html> (January 19, 2010).

6. Senator Arlen Specter *et al.*, letter to President Barack Obama, December 3, 2009, at <http://graphics8.nytimes.com/packages/pdf/letter.pdf> (January 19, 2010).

7. See Lanka Business Online, “India Hails Copenhagen Climate Accord,” December 22, 2009, at <http://www.lankabusinessonline.com/fullstory.php?nid=1358116517> (January 19, 2010).

provisions in the Waxman–Markey bill that narrowly passed the House last June. The Heritage Foundation’s analysis of that bill found serious potential for economic harm as higher energy costs reverberate throughout the economy.

This includes reductions of gross domestic product averaging \$393 billion annually and \$9.4 trillion cumulatively by 2035.<sup>8</sup> Under the Waxman–Markey provisions, a typical household of four could expect energy costs to increase by over \$800 annually. Net job losses would average more than 1 million, with the manufacturing sector being particularly hard hit. Had a Copenhagen agreement bound America to similar targets and timetables—17 percent reductions from 2005 levels in 2020, rising to 83 percent by 2050—the costs would have been comparably high.

There are also non-monetary costs, especially with an international treaty. For example, there are risks to America’s sovereignty with an agreement whose implementation and enforcement would be subject to international authority.<sup>9</sup> In effect, key details of the American economy would be in non-U.S. hands, such as whether coal-fired electric power plants needed to meet the nation’s growing electricity demand could be built.

A climate agreement could also lead to risks to America’s national security.<sup>10</sup> The resultant economic harm would adversely impact defense budgets, while at the same time higher fuel prices would raise the military’s operating costs. A global treaty could also spark protectionist measures, as some nations would inevitably accuse others of doing less to reduce emissions and may use this assertion as a rationale for border adjustments or other means to discourage imports.<sup>11</sup> This would erode the wealth-creating benefits of free trade to America and the rest of the world.<sup>12</sup>

### Good News for Skeptics

From the perspective of those who wanted the U.S. to sign on to comprehensive measures to address global warming, Copenhagen was a major setback. But for those who fear that costly global warming solutions are far worse than the problem, Copenhagen is good news. Copenhagen failed for very legitimate reasons, in particular the exorbitant cost and lack of meaningful developing world participation. A very bad deal for America and the world was avoided.

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8. David Kreutzer *et al.*, “The Economic Consequences of Waxman–Markey: An Analysis of the American Clean Energy and Security Act of 2009,” Heritage Foundation *Center for Data Analysis Report*, August 6, 2009, at <http://www.heritage.org/Research/EnergyandEnvironment/cda0904.cfm>.

9. Steven Groves, “The ‘Kyoto II’ Climate Change Treaty: Implications for American Sovereignty,” Heritage Foundation *Special Report* No. 72, November 17, 2009, at <http://www.heritage.org/Research/EnergyandEnvironment/sr0072.cfm>.

10. James Carafano, “Copenhagen Climate Change Conference Could Threaten National Security,” Heritage Foundation *Special Report* No. 70, November 10, 2009, at <http://www.heritage.org/Research/EnergyandEnvironment/sr0070.cfm>.

11. Daniella Markheim, “Opportunity at Copenhagen – Nations Should Promote Free Trade at the Climate Conference,” Heritage Foundation *Special Report* No. 74, December 4, 2009, at <http://www.heritage.org/Research/EnergyandEnvironment/sr0070.cfm>.

12. *Ibid.*