CLIMATE CHOICES

Bjørn Lomborg and **Joel Malan** discuss the need to prioritise global threats and opportunities


Photograph by Emil Jupin

Bjørn Lomborg is a Danish political scientist whose first book, *The Skeptical Environmentalist* (2001), received international attention for applying statistics from recognised sources to challenge the widely held belief that the environment is progressively getting worse. Lomborg served as Director of Denmark's Environmental Assessment Institute from 2002–04 and launched the Copenhagen Consensus Center in 2004. The centre is a discussion forum where several Nobel prize winning economists rank the best solutions for solving the world's biggest challenges.

No stranger to controversy, Lomborg's work has been subject to official complaints but subsequently exonerated. In his most recent book, *Cool It*, he explains that the threat of global warming is real, but attempts to date to tackle it have not been proportionate, efficient, effective, or politically feasible.

In January 2010, Lomborg was interviewed by Joel Malan, an Australian now living in Copenhagen.

JM: *The Skeptical Environmentalist* drew on your background in statistics to reach a more holistic interpretation of existing research. I understand you are not a climatologist as such, but what contribution can statistics make to the climate change debate?

BL: It's about looking at what are the actual and aggregated impacts. Very often, we look at only specific instances such as more heat-wave deaths, which are absolutely true, but we fail to remember that fewer people will be dying from cold. We need to bring together both sets of facts. That's what statistics does. It makes sure you count everything, not just what seems convenient to the particular point you want to make. It brings together all the relevant data and keeps us honest.

JM: Following your hypothesis that climate change is overrated as a threat to global well-being, you launched the Copenhagen Consensus in 2004 in conjunction with the Danish Environmental Assessment Institute, *The Economist*, and several Nobel Prize winning economists with the purpose of applying a cost-benefit approach to determine how policymakers should prioritise the challenges facing the globe. What were the panel's findings?

BL: We've actually done this quite a number of times for global issues. The first time was in 2004 and the last time was in 2008, when we asked a distinguished panel of even more Nobel laureates to look at all the major problems in the world and identify the best solutions. They basically told us to invest money in free trade and micro-nutrient malnutrition, agricultural research and development, education, and immunisation. Those are the areas where spending very little money can end up doing an amazing amount of good.

Our panel also looked at global warming and told us that one of the worst ways to tackle global warming, and one of the worst things to do with public money, is to try to cut carbon emissions. This is because cutting carbon emissions costs a lot, and because the benefit is tiny and only comes 100 years from now . But they also identified a better way to tackle global warming—invest dramatically more in research and development in green energy technologies. There are good things we can do for climate change, but let's do them smartly. Let's do the things that can make sure, for instance, that

the Chinese get cheap, green technology in 20 to 40 years rather than trying to force everyone to buy expensive green technology now.

JM: I'm glad you mentioned China. Is it the cost of reducing carbon emissions that explains the reluctance of industrialising countries such as China and India to give it the same priority as Europe?

BL: Of course, and for two reasons. It's not very hard to restrain Europe's carbon emissions because they aren't going to grow all that much even in a business-as-usual scenario; Europe has around zero population growth and we've already reached a very high carbon output.

Countries like Australia, Canada and the United States have seen dramatic increases in population, which makes it a lot harder to reduce carbon emissions. Certainly China and India are seeing not only dramatic increases in population but also in wealth and well-being, so they are going to find it very hard to reduce their carbon emissions. Coal, which makes up about 80% of the electricity production in both China and India, has contributed to lifting hundreds of millions of people out of poverty over the last 20 to 30 years. They're not going to give up coal. They're not going to say, 'we'll delay poverty reduction and try to cut carbon emissions.' The only way to get them on board is by creating such cheap technology that they will *want* to buy it, not because they have to be forced to do so.

JM: In spite of your findings, climate change continues to feature highly on policymakers' agendas, at least in the developed world. You discuss the attraction of climate change as an issue in your book *Cool It*. What is it about climate change that sweeps us off our feet and distracts us from more pressing concerns?

BL: There is a fatigue factor. When we first started to see starving children in Africa in 1984 everybody was outraged. But eventually you've seen enough starving children, and it just doesn't 'get you' as much. Global warming is the exciting new thing.

Look at how we reacted to Haiti. It was a terrible country before, but it took a catastrophe for us to pay it any attention. Look at the way we dealt with the 2004 tsunami, which killed about 300,000 people. That is a terrible death toll, but it's also about the same number of people who die of infectious diseases every two months in South East Asia. We don't see those deaths!

Global warming just has much better pictures, it has much better PR, and it makes us much more worried because these pictures tell a great story. It incorporates the end of the world and gives us the opportunity to comment on just about anything. When we have a very warm winter, people say 'you see, it's global warming.' When it's a very cold winter, they still say it's because of global warming. It has all the trappings of something sexy, it sells in the press, and it makes us all think and feel a little guilty. But future generations are going to judge us on whether we made the world better or worse by the end of the century, and the fundamental point is that with all the money we are spending on climate change, we could do an enormously better job helping the world if we focused on areas where it would do more good.

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JM: While climate change may be easy to talk about, evidently it is more difficult for politicians to act on this issue. Why is this so?

BL: Any policy change is incredibly expensive, and no politician wants to tell the electorate they can't use a lot of fossil fuels. Look around you. Fossil fuel powers most of everything we like—the fact that it's not incredibly cold in here, that you could fly here from Australia, that we have the telecommunications we have, and that we have cheap food, and so on. Virtually everything that we like is powered by fossil fuels. There is no way you are going to be able to tell people they can't have all these things. So the idea of saying 'let's reduce our consumption, let's change human nature' is just not going to sell any tickets.

JM: You are also are opposed to the Kyoto Protocol and attempts to reach commitments to reduce global CO_2 emissions at the recent UN Climate Conference in Copenhagen. Given that you acknowledge that climate change is a problem and deserves to be addressed, what do you recommend policymakers should do to prevent global warming?

BL: Fundamentally, they should do something that's more cost-effective. Instead of promising to cut carbon emissions, which is going to be expensive, we should invest dramatically in research and development in green energy technologies. We haven't done that. Research and development has actually gone down dramatically since the early 1980s. We are essentially taxing the world to implement very inefficient technologies, such as wind and solar technologies, instead of focusing on developing much better technologies in the coming decades. The Copenhagen Consensus on Climate findings showed that even with the best way to apply carbon taxes every dollar spent probably will end up avoiding only two cents of climate damage. That's a bad deal. On the other hand, every dollar spent on R&D in green energy technologies will probably end up avoiding $11 worth of climate damage. That's 500 times better. So do what's good and what's likely to happen rather than what's dumb and, as we have now seen for the last 18 years, is not going to happen.

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JM: Do you see the failure to reach an agreement at the UN Climate Conference in Copenhagen as a good thing?

BL: Well it's a good thing if it makes people realise that the track that we've been on since Rio in 1992, Kyoto in 1997, and now Copenhagen in 2009 is a road of broken promises that won't actually deliver. If we care about global warming, we've got find different strategies. I think a lot of people are starting to realise that, but there are also a large number of people, especially in the current UN negotiations, who are saying, 'we failed in Copenhagen, let's try again in Mexico by the end of this year,' and then, if not in Mexico, in another city in the 2011, and so on. That's not going to work. When are we going to wake up? We've been trying this since 1992. It's about time we found a smarter strategy.

JM: You mentioned the poor cost-to-benefit ratio in terms of a carbon tax. My native country, Australia, is proposing to introduce a carbon emissions trading scheme? What's wrong with this approach?

BL: Well, first, there's nothing fundamentally wrong with a carbon tax. Global warming is a problem and should be reflected in the pricing of carbon emissions, but it should be reflected correctly. The current best estimate is about US$7 per tonne of CO_2, so a carbon tax should be the equivalent of that. But we should not kid ourselves. A carbon tax is not going to have any measurable impact on CO_2 emissions. All it can do is raise money for R&D to develop better technologies.

Now, in principle, a cap-and-trade is as good as a carbon tax; in reality, it often becomes subverted to political pressure. Basically, all the permits are given away, which means we lose a large part of the opportunity to utilise the extra tax collected to offset tax rates elsewhere. Very often, there are huge amounts of leakage, which means companies will start moving out of, for example, Australia, and huge swathes of industry get exempted because it's politically convenient. The result is a political mish-mash where a lot of people are paid off, as we see in the Waxman-Markey Bill in the United States, which is essentially a weak bill with very high costs. That's making a bad strategy even worse by implementing it poorly.

JM: You've certainly gained prominence over the past few years, and many are beginning to question the existing methods of dealing with climate change. That said, you have your critics, and there are reputable voices, such as US economist Jeffrey Sachs and British economist

Nicholas Stern, who advocate a very different approach to your own. How should the lay person know who is right?

BL: It is a big problem that there are a number of different voices in the discussion focusing on the economic evidence, but I think it's fundamental to realise that virtually all climate economists come up with a similar answer, namely, that dramatically cutting carbon emissions is simply not warranted. The Stern Review, is the only one that came up with a different result, But it was exposed by *Nature* magazine that the British government asked the people who headed the Stern to deliver a result that had been decided in advance, namely, that the British government's policy was the most cost effective, which of course makes the whole point of instituting the Stern Review a little silly.

The Stern Review did not conduct any new studies; instead, it did exactly what its title says—review the existing economic studies. All these studies agree that the cost of global warming is going to be about 3% of GDP or thereabouts by the end of the century. Now that's not a trivial amount, but it is certainly not the end of the world either. Nicholas Stern re-estimated that number up to 5–20%. Most estimates show that the cost of tackling climate change could easily escalate to 5% or more of GDP. Stern re-estimated that down to 1–2%. Essentially, Stern took the existing evidence and skewed it in such a way that it made for a conclusion that was not warranted by the economic analysis. I think Jeffery Sachs vacillates between many different positions. It's often quite hard to see what he indeed does believe.

JM: One of the claims raised in your first book, *The Skeptical Environmentalist*, is that the science of climate change, which should be objective, has been hijacked by special interest groups. Do you see the recent 'Climategate Affair,' which exposed academics' attempts to cover up results that undermined more dire climate change hypotheses, as an example of such bias? And where else is the bias evident?

BL: I think it is important to say my goal with the book was not to say that the environmental debate is being hijacked by special interest groups in general. I actually think that a lot of what the first working group of the UN Climate Panel does is good and fair. That said, there are instances where it is being hijacked, for instance, some parts in the third volume of the report talk about how we should perhaps learn to appreciate a life of less, that less is more, that we should have slower transport, maybe we should bicycle more, and that kind of stuff. It reads a bit more like a Greenpeace document.

The Climategate e-mails do not undermine the reality of global warming, but they do show that there is an intense interest in portraying the problems of global warming in a particular way, very often, the most alarming way. That's unfortunate because these are the people we have asked to inform us how to best deal with global warming.

We have seen this several times just in the last couple of weeks with the Himalaya problem—the UN predicted that the Himalayan glaciers were going to be gone by 2035, which turned out to be an absolutely unverified claim. We've seen similar claims that people are going to be subjected to drought because they will have less water available, that's true, but what's neglected is that even more people will have more water available. Telling only one part of that story is disingenuous at best. It's clear that in several places, the UN Climate Panel, especially Working Groups II and III, have been less than careful with the evidence and send too much of an ideological message. There is a lot of ideological tension, which is unfortunate because it leads to bad or 'less good' judgments.

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JM: I guess all this means you won't be taking short showers or riding your bike to work then? What would you recommend we, as individuals, could do to improve global well-being?

BL: I don't think there is anything wrong with doing smart things. I only have a bike, so I do ride it to work, but that's also because we have a society

here in Denmark that makes it very easy to have a bike and also very costly to have a car. We certainly should have more of such policies that make it possible to do smart things. By all means switch your light bulbs if it's efficient and easy for you to do so, or pick an energy saving car if that works for you. These are smart, easy things to do, but they are not going to fix climate change. This is about structural changes, about making investments in research and development so that eventually everyone, including the Chinese and the Indians, will want to have cheap solar panels rather than expensive ones as we have now.

And then, if you really want to help the world, there are many other things you can do to do a lot more good. We talked to people around the world who are going to be hit by climate change, which is something I think every newspaper in the world has done over the last couple of years. But what we also did was ask these people 'what else is bothering you?' It was very clear that most of these people have much greater concerns than global warming. As one woman pointed out, 'when I go to bed tonight and have not had anything to eat, I don't think global warming is going to be my first priority.' That is the fundamental point. If we really want to leave this world a better place, we have to focus on giving more overseas development aid through individual charity and making sure the Doha Round is successful so that developing countries have an easier time getting richer.

JM: Bjørn Lomborg, thank you for taking the time to talk to *Policy*.

BL: Thank you.