

The Wall Street Journal, January 29, 2009

Time for a Rethink on Global Warming

By Bjørn Lomborg

With most of the world still reeling from the worst recession in 40 years, this week some 2,500 members of the international political, business and media elite are descending on Davos, Switzerland. The occasion is the annual meeting of the World Economic Forum, that well-publicized Woodstock for movers and shakers. The point of Davos is to swap big ideas about big issues, and this year's theme couldn't be bigger: "Improving the State of the World: Rethink, Redesign, Rebuild."

If you detect a whiff of "back to the drawing board" in that slogan, you're right. There is a growing consensus in policy circles that if the recent economic carnage has taught us anything, it's that our 20th-century prescriptions are not up to the challenges of our 21st-century world.

This kind of intellectual humility would certainly be welcome in my particular area of interest: the debate over how best to cope with man-made climate change. For nearly two decades, environmental policy makers have been single-mindedly marching down the same road, trying without success to get the governments of the world to endorse a binding agreement to drastically reduce carbon emissions. Just last month, we saw this strategy fail again when yet another global climate summit convened and adjourned without accomplishing anything. Yet policy makers refuse to change course.

There is a superficial logic to the conventional wisdom that the only serious way to stop global warming is to get governments to either force or bribe their citizens into slashing their reliance on fuels that emit carbon-dioxide. After all, if carbon emissions cause global warming, shouldn't eliminating them cure it?

Yes, it would. The question is at what cost? The fact is that whatever prosperity we currently have or are likely to achieve in the near future depends heavily on our ability to acquire and burn carbon-emitting fuels like coal, oil and gas.

Right now, developing nations like China and India are most vocal in their opposition to cutting carbon emissions—and it is not hard to see why. Compared to other forms of energy, fossil fuels are abundant, efficient and cheap. In order to make drastic cuts in their carbon emissions, developing countries would have to pull the plug on domestic economic growth—thus consigning hundreds of millions of their citizens to continued poverty.

But the developed world has an interest at stake here as well. All the major climate economic models show that in order to achieve the much-discussed goal of keeping temperature rises under two degrees Celsius we

would have to impose a global tax on carbon emissions that by the end of the century would cost the world a phenomenal \$40 trillion a year. Even the wealthiest of nations would have trouble paying that price.

Viewed in this light, it's no wonder that so many governments are skeptical of the idea that environmental salvation lies in just saying no to fossil fuels. So what's the alternative? I believe it's time to take a page from the World Economic Forum's book and rethink, redesign and rebuild our climate policy.

Despite all the optimistic talk about solar, wind and other green-energy technologies, the alternatives we currently have aren't anywhere close to being able to carry more than a fraction of the load fossil fuels currently bear. For two decades, we've been putting the cart before the horse, pretending we could cut carbon emissions now and solve the technology problem later. But as we saw in Copenhagen last month, that makes neither economic nor political sense.

If we really want to solve global warming, we need to get serious about developing alternatives to coal and oil. Last year, the Copenhagen Consensus Center commissioned research from more than two dozen of the world's top climate economists on different ways to respond to global warming. An expert panel including three Nobel Laureate economists concluded that devoting just 0.2% of global GDP—roughly \$100 billion a year—to green-energy R&D could produce the kind of breakthroughs needed to fuel a carbon-free future. Not only would this be a much less expensive fix than trying to cut carbon emissions, it would also reduce global warming far more quickly.

Mr. Lomborg is the director of the Copenhagen Consensus Center at Copenhagen Business School and the author of "Cool It: The Skeptical Environmentalist's Guide to Global Warming" (Knopf, 2007).