

# What Have Climate Activists Learned?

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COPENHAGEN – Advocates of drastic cuts in carbon-dioxide emissions now speak a lot less than they once did about climate change. Climate campaigners changed their approach after the collapse of the Copenhagen climate-change summit last December and the revelation of mistakes in the United Nations climate panel's work – as well as in response to growing public skepticism and declining interest.



Although some activists still rely on scare tactics – witness the launch of an advertisement depicting the bombing of anybody who is hesitant to embrace carbon cuts – many activists now spend more time highlighting the “benefits” of their policy prescription. They no longer dwell on impending climate doom, but on the economic windfall that will result from embracing the “green” economy.

You can find examples all over the world, but one of the best is in my home country, Denmark, where a government-appointed committee of academics recently presented their suggestions for how the country could go it alone and become “fossil fuel-free” in 40 years. The goal is breathtaking: more than 80% of Denmark's energy supply comes from fossil fuels, which are dramatically cheaper and more reliable than any green energy source.

I attended the committee's launch and was startled that the “Climate Commission” barely mentioned climate change. This omission is understandable, since one country acting alone cannot do much to stop global warming. If Denmark were indeed to become 100% fossil-free by 2050, and remain so for the rest of the century, the effect, by 2100, would be to delay the rise in average global temperature by just two weeks.

Instead of focusing on climate change, the Climate Commission hyped the benefits that Denmark would experience if it led the shift to green energy. Unfortunately, on inspection these benefits turn out to be illusory.

Being a pioneer is hardly a guarantee of riches. Germany led the world in putting up solar panels, funded by €47 billion in subsidies. The lasting legacy is a massive bill, and lots of inefficient solar technology sitting on rooftops throughout a fairly cloudy country, delivering a trivial 0.1% of its total energy supply.

Denmark itself has also already tried being a green-energy innovator – it led the world in embracing wind power. The results are hardly inspiring. Denmark's wind industry is almost completely dependent on taxpayer subsidies, and Danes pay the highest electricity rates of any industrialized nation. Several studies suggest that claims that one-fifth of Denmark's electricity demand is met by wind are an exaggeration, in part because much of the power is produced when there is no demand and must be sold to other countries.

The sorry state of wind and solar power shows the massive challenge that we face in trying to make today's technology competitive and efficient. Direct-current lines need to be constructed to carry solar and wind energy from sunny, windy areas to where most people live. Storage mechanisms need to be invented so that power is not interrupted whenever there is no sunshine or wind.

Proponents of carbon cuts argue that green-energy technologies only seem more expensive, because the price of fossil fuels does not reflect the cost of their impact on the climate. But allowing for this would make little difference. The most comprehensive economic meta-study shows that total future climate impacts would justify a tax of around €0.01 per liter of petrol (\$0.06 per gallon in the United States) – an amount dwarfed by the taxes already imposed by most European countries.

Despite the fact that changing from fossil fuels to green energy requires a total economic transformation, Denmark's Climate Commission claimed that the price tag would be next to nothing. The Commission reached this conclusion by assuming that the cost of *not* embracing its recommended policy would be massive.

The Commission believes that over the next four decades, fossil-fuel costs will climb sharply, because sources will dry up and governments will place massive taxes on fossil fuels. But this flies in the face of most evidence. There is clearly plenty of cheap coal for hundreds of years, and with new cracking technology, gas is becoming more abundant. Even oil supplies are likely to be significantly boosted by non-conventional sources like tar sands.

By the same token, the prediction that governments will impose massive carbon taxes has little basis in reality. Such assumptions seem like a poor framework on which to build significant public policy, and seem to ignore the substantial cost of eliminating fossil fuels, which is likely to amount to at least 5% of GDP per year.

The shift away from fossil fuels will not be easy. Policymakers must prioritize investment in green-energy research and development. Trying to force carbon cuts instead of investing first in research puts the cart before the horse. Breakthroughs do not result automatically from a combination of taxes on fossil fuels and subsidies for present-day green energy: despite the massive outlays associated with the Kyoto Protocol, participating countries' investment in R&D as a percentage of GDP did not increase.

The change in message after the disaster of the Copenhagen summit was probably inevitable. But the real change that is needed is the realization that drastic, early carbon cuts are a poor response to global warming – no matter how they are packaged.

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