“We need to ignite an energy tech revolution,” says controversial environmentalist Bjørn Lomborg

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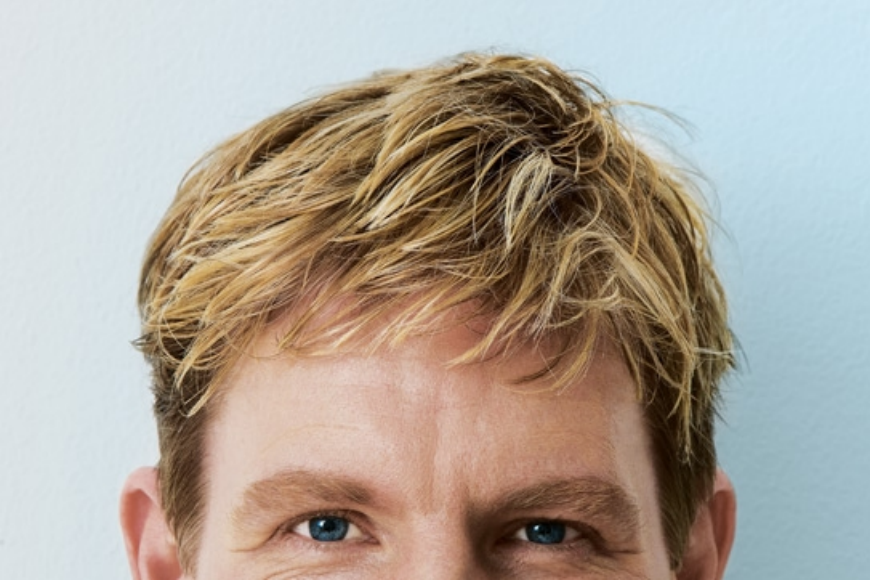

Bjørn Lomborg, renowned author, business school professor and think-tank founder: “It is time to get back to a rational point of view on global warming, rather than one based on panic.”

Al Gore issues strict, clear instructions when he finds himself speaking at the same climate-change conference as Bjørn Lomborg: along the lines of, “Make sure I don’t share the stage or speakers’ room with that guy.”

The disquiet of the former US vice president-turned environment activist is perhaps understandable. Lomborg — a Copenhagen Business School professor, head of think-tank Copenhagen Consensus Center, and author of two highly contentious books, *Cool It* and *The Skeptical Environmentalist* — has mounted a series of seemingly heretical challenges both to the picture of global warming-induced catastrophe painted by Gore and to the primary remedy he (and the vast majority of climate-change experts) advocates: the dramatic and rapid reduction of CO2 emissions.

For Lomborg and a growing number of academics, economists and environmentalists, all the evidence suggests that this approach will achieve very little in terms of tackling global warming other than the squandering of trillions of dollars — money that could be used to both find a more effective and permanent set of solutions to the fossil fuel energy problem and to address a whole series of other global issues, from food shortages and malaria to drinking water and sanitation.

Of course, by even calling for a dialogue on an agenda beyond CO2 reduction, Lomborg has been branded (completely falsely, it should be noted) a climate-change “denier.” The truth is, he is anything but. “Global warming is both real and man-made, and as this century progresses it will have a serious impact on humans and the environment,” he states unambiguously.

What you’ll learn...

Bjørn Lomborg, renowned business school professor, think-tank founder and author of The Skeptical Environmentalist, speaks exclusively to i-cio.com about:

- His belief that the headlong rush to cut carbon emissions is a “hysterical response” to global warming
- His views on why a more rational and business-like approach is needed to solve the climate change problem
- Why he believes a huge ramp-up of investment in research and development of green technologies is essential
- His concern that politicans and executives — including CIOs — are falling into the trap of making big promises about tackling global warming but failing to deliver

What he dares to argue, though, is that the programs adoptedor proposed to date are going to be almost pointless in tackling the problem of climate change. What is needed, he says, is a different kind of debate that is not simply about how much CO2 should be cut, over what timescale and whose economy is going to take the greatest pain, but about where action needs to be taken across multiple, and perhaps more effective, fronts.

“For the past 20 years, the climate debate has been stuck in this unproductive dichotomy: of people who claim global warming is simply not happening and people who claim it means the end of the world. Neither stance is helpful as they force us into situations where we’re not talking about the real issues: we’re essentially proposing either to do nothing or go down an incredibly reactive and inefficient course along the lines of, ‘We’ve got to do something quick before the world ends.’ Making decisions in that panicked state just doesn’t lead to good outcomes,” says Lomborg.

He not only questions whether the “hysterical and headlong spending” on extravagant CO2-cutting programs is the only suitable response, but is skeptical about that approach achieving anything like the desired result. “Even large and very expensive CO2 cuts made now will only make a small and insignificant impact far into the future,” he says. That’s assuming cuts can even be agreed.

COST-BENEFIT ANALYSIS

Successive climate-change summits — from Rio and Kyoto to Copenhagen and Cancún — have taken as their centerpiece ambitious programs for CO2 reduction, but with very patchy buy-in from participating countries.

In fact, in the 19 years since the Rio Earth Summit, carbon-reduction negotiations have done nothing to reduce temperature rises, says Lomborg. “We’ve had lots and lots of beautiful promises of how much we’re going to cut carbon emissions while the carbon emissions have just kept going

up and up and up. The fundamental point is that rk. It is time to get back to a rational point of view rather than one based on emotional panic and th ast 20 years."

And what he finds particularly objectionable is th ptimal — and only — way forward. That manifests itself in the near absence of any cost-benefit ana proposed and being made.

According to research by climate economist Rich r the 2°C that most global warming models take as a climate-change baseline will cost about $40,000 0 — without delivering a great deal. Tol reckons that for every dollar spent we will avoid less than 2 ce

"That is an incredibly poor way to try to help the world," says Lomborg. "Which, of course, is why it's not going to happen." And also one reason why so many countries are so reluctant to make significant commitments.

He submits the European Union's 20/20/20 policy — "the only significant climate change legislation anywhere in the world" — as the primary exhibit. The EU has committed to cut greenhouse gas emissions to 20% below 1990 levels by 2020 using 20% renewable energy.

However, examining this policy for the Copenhagen Consensus Center, Tol estimated that the policy would cost $250 billion a year by 2020. And with what end in sight? Standard climate models show that by the end of this century the EU's approach will have the effect of reducing temperature rises globally by approximately 0.05°C, he says. Looked at another way, that 20% reduction, assuming it can be enforced across the EU for the next 90 years, will merely postpone global warming by two years.

"The net effect will be virtually nothing — so small we won't be able to measure it," says Lomborg.

THE PROBLEM WITH SOLAR POWER

In Europe, different governments are spending a lot of money in ways that are perhaps not demonstrably cost-effective. And for Lomborg there is no better example than solar energy.

"Solar panels obviously are a beautiful way to show that you care," he says. "They're also unfortunately incredibly expensive and of course only produce electricity when the sun shines. CIOs will be the first to appreciate that we can't just run computers when the sun is shining. The problem is, if you buy a lot of incredibly costly solar panels, it doesn't do anything to help global warming. It simply means you're burning a big hole in your budget."

Germany, for instance, produces more solar power per person than any other country — something the country is very proud of. "But that only works because the government hands out incredibly large subsidies, probably in the order of 10 times as much as the cost of producing the electricity by conventional means.

The total cost for Germans is going to be about $75 billion and the net effect of all that money [at today's solar technology prices] is going to be that Germany, by itself, will postpone global warming by the end of the century by seven hours.

"So while I recognize the moral desire to do good, I simply would like to see that transferred into something that would actually do good," he adds.

DEBUNKING THE POLITICAL DEBATE

But why would any rational government sanction such a waste, if that is what it is? Firstly, he says, we tend to applaud politicians for making grand promises about future solutions — even when they will be long gone by the time someone else has to deliver on their commitments.

"Politics is not about doing smart things, politics is about being liked by a majority of people, and so as long as we applaud unrealistic projects, politicians are going to keep proposing them. There's a lot of symbolism in the whole climate debate. Promise grand stuff and then don't do it: that's a much better strategy from a politician's point of view. The issue is, though, that we are actually supposed to try to fix this rather than just making it into a spin issue."

He says CIOs should try not to fall into that trap: "There is the sense in which you just want to have something that makes you look greener and makes you look like you really take this issue seriously. Yet my concern is that our goal is to actually fix global warming. I doubt that our kids and grandkids are going to look back on us and say, 'Wow, they really spoke beautifully about this problem.'

"The fact is that most of us don't actually burn fossil fuels simply to annoy Al Gore; we burn them because they power pretty much everything we like about civilization. They make it possible for us to heat ourselves, to feed ourselves, to transport ourselves and to have amazing things like telecommunications and computers and information and entertainment. And so asking people if they could please do with less of that is just not going to work."

And that is going to be even more difficult to demand of rising nations such as China or India. "'Can you please not get rich?' is not going to work either," he says. "So we need to find another way."

INVESTING IN GREEN TECH

Last year, the Copenhagen Consensus Center, the collective of some of the world's top economists that Lomborg heads, and which includes five Nobel laureates, embarked on a wide-ranging investigation into all the possible strategies that could be used to tackle the problem of global warming. The climate economists concluded that by far the best hope for a long-term solution lay in a dramatic ramp-up of investment in green research and development.

One of the contributors, Professor Chris Green of Canada's McGill University, calculated that an investment of around 0.2% of global GDP — amounting to about $100 billion — would be the kind of sum needed to make the necessary technology breakthroughs. That is about 50 times more than the sum spent globally today on R&D into green energy.

"Igniting an energy tech revolution is simply a much better policy, and one that would actually be implementable, that would be much more effective and would actually tackle global warming in the medium term," suggests Lomborg.

"We will never succeed in making fossil fuels so expensive that no one wants them. The reason it costs so much to reduce emissions is that the green alternatives are not close to being ready to replace oil and other fossil fuels. Instead, we should make green energy so cheap that everyone — including China and India — wants it, so long-term emissions drop dramatically."

For instance, instead of subsidizing ineffective and expensive solar panels today, the opportunity is there to invest in research that would ensure that in 20 to 30 years, energy from solar panels is irresistibly cheaper than fossil fuels.

Meanwhile, a chunk of the $250 billion Tol identifies — say $50 billion a year — could be spent on adapting to some of the negative effects of global warming, Lomborg suggests. “Of course, just a few years ago, adapting to climate change was seen as tantamount to admitting defeat. But it is common sense to take simple steps such as creating green spaces and reducing asphalt in cities to make them cooler, or working to safeguard low-lying lands from flooding.

“We could also spend about a billion on research into geo-engineering [for example, tree-planting, carbon sequestration, ocean iron fertilization] which is essentially an artificial way to turn down the heat on the planet. That could both buy us some decades if we turn out to need them, and also buy us an insurance policy if things were to happen really suddenly with global warming.”

He suggests spending the remaining $100 billion fixing many of the world’s other chronic problems — effectively providing clean drinking water, sanitation, basic healthcare, education and food to everyone on the planet. “My point is, simply: Isn’t that a better idea than spending $250 billion [in the EU alone] on CO2 reduction that will have the net effect of virtually nothing.”

POWERING THE 21ST CENTURY

So what are the most promising areas of this latent energy tech revolution? “It would be wonderful to be able to say where we should be spending the money, but that’s exactly the wrong way to go about this. This is not about picking winners, but about looking at a vast swath of different possible technologies — solar, wind, geothermal and all the other green renewables, next-generation nuclear fusion and nuclear fission, carbon capture, second-generation biofuels, even growing oilfields with algae.

“Most of them will not work, but that’s OK. If we are investing $100 billion a year, we just need a few of them to work for those to become the technologies that will power the rest of the 21st century.”

He is not the only one coming to that conclusion. From the London School of Economics and Oxford University to think tanks (on both the right and left of politics) in the US, such as The Brookings Institution and the American Enterprise Institute for Public Policy Research, groups of academics are arguing that we need to vastly inflate the amounts spent on the research and development of green energy.

“It is very encouraging to see such a diverse group of institutions agreeing that there might be a much smarter, much cheaper and ultimately much more effective way forward,” says Lomborg. “Is this going to translate into political action? I hope so.”

Certainly politicians like former UK prime minister Tony Blair have long recognized that an alternative to CO2 reduction is needed. Speaking at the Clinton Global Initiative five years ago, he said: “The truth is, no country is going to cut its growth or consumption substantially in the light of a long-term environmental problem. What countries are prepared to do is to try to work together cooperatively to deal with this problem in a way that allows us to develop the science and technology in a beneficial way.”

The choice is pretty stark, says Lomborg: “Spend a lot of money to cut one ton of CO2 now or spend less money to cut many more tons of CO2 in the longer run. Yet the first of those ideas seems to be almost universally what we’re doing right now. We’re so focused on saying, ‘Look, I cut a ton of CO2,’ but we need to really talk about how you could have achieved a much better result by investing this money differently.”

Lomborg sees his role as provoking a rational debate. “As long as we applaud politicians who make symbolic and ineffectual but very nice-sounding, photo-op decisions, they’ll keep doing that. But if we start asking them to make smart decisions instead, then they’re going to realize they can save money and do great good for the climate. That sounds like a good deal to me.”

Cool It, the movie of Bjørn Lomborg’s book, is out now.

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