

Are We Overreacting on Climate Change?

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FALSE ALARM

How Climate Change Panic Costs Us Trillions, Hurts the Poor, and Fails to Fix the Planet

By Bjorn Lomborg

The thesis of Bjorn Lomborg's "False Alarm" is simple and simplistic: Activists have been sounding a false alarm about the dangers of climate change. If we listen to them, Lomborg says, we will waste trillions of dollars, achieve little and the poor will suffer the most. Science has provided a way to carefully balance costs and benefits, if we would only listen to its clarion call. And, of course, the villain in this "false alarm," the boogeyman for all of society's ills, is the hyperventilating media. Lomborg doesn't use the term "fake news," but it's there if you read between the lines.

As with others in Lomborg's camp, there's the pretense in this book of balance and reference to careful studies. Yes, climate change is real. Yes, we should do something about it. But, goes his message, let's be real, there are other problems, too. Resources are scarce. The more money we spend on climate change, the less we have to grow the economy; and as we all know (or do we?) everybody benefits from growth, especially the poor. And besides, there's not much we can do about climate change.

He's not completely fatalistic. He urges imposing a carbon tax and investing much more on innovation, both good ideas, although neither is a panacea, especially since the carbon price he suggests is far too low. Among the many contradictions within the book is that while he seems to say that innovation may be our savior, he also suggests that the model he relies on shows that we've invested all we wisely can in innovation. We've done all we should. Evidently, we're supposed to pray that nature be more forgiving as it bestows good fortune on our research efforts.



Image



Bjorn Lomborg Credit...Charlotte Carlberg Bårg

Somehow, missing in his list of good policy measures are easy things like good regulations — preventing coal-burning electric generators, for example. Lomborg, a Danish statistician, exhibits a naïve belief that markets work well — ignoring a half-century of research into market failures that says otherwise — so well, in fact, that there is no reason for government to intervene other than by setting the right price of carbon.

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Assessing how best to address climate change requires integrating analyses of the economy and the environment. Lomborg draws heavily on the work of William Nordhaus of Yale University, who came up with an estimate of the economic cost to limiting climate change to 1.5 to 2 degrees Celsius above preindustrial levels. While Nordhaus seems to think it's enormous, an international panel chaired by Lord Nicholas Stern and me (called the High-Level Commission on Carbon Prices), supported by the World Bank, concluded that those goals could be achieved at a moderate price, well within the range of what the global economic system absorbs with the variability of energy prices.

A second mistake — which biases the results in the same way — is Nordhaus's and Lomborg's underestimation of the damage associated with climate change. In early discussions of climate change the focus was often on global warming. It was natural for people to ask: "Surely a few degrees of temperature change couldn't make that much difference? And besides, wouldn't it be nice if we could swim in the ocean off Nova

Scotia?” But climate change is much more than that. It includes increasing acidification and rising sea levels (another aspect of climate change that Lomborg doesn't mention is that Wall Street could be underwater by 2100 — a seeming benefit until one realizes that almost surely the bankers would find a way to force all of us to pay for their move to higher ground).

Climate change also includes more extreme weather events — more intense hurricanes, more droughts, more floods, with all the devastation to life, livelihood and property that accompanies them. In 2017 alone, the United States lost some 1.5 percent of G.D.P. to such weather-related events.

A third critical mistake, compounding the second, is not taking due account of risk. As the atmospheric concentration of carbon increases, we are entering uncharted territory. Not since the dawn of humanity has there been anything like this. The models use the “best estimate” of impacts, but as we learn more about climate change these best estimates keep getting revised, and, typically, in only one direction — more damage and sooner than had been expected.

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multibillion-dollar insurance industry is predicated on risk aversion. If there were another planet we could all move to, that would be one thing. But there isn't. So that means we have to be cautious. And caution is especially warranted once we realize how bad things could get. Damages can increase disproportionately with increased carbon concentrations, and when those bad outcomes occur, our ability to weather the storm (metaphorically and literally) will be greatly diminished.

A fourth related concern is that those like Lomborg and Nordhaus who don't believe we should take forceful action today discount the value of the environmental impacts of climate change on future generations. How do we trade off costs today with benefits in the future? The Trump administration, for instance, has been using a 7 percent discount rate — which means that we shouldn't spend more than 3 cents today to avoid a dollar of damage to our children in 50 years. This is ethically indefensible and economically nonsensical. But they're the kinds of numbers spewed out by the models Lomborg loves, the same kinds of models that say we should blithely accept a 3.5 or 4 degree Celsius increase in global warming.

Bjorn Lomborg has long insisted that there is a consensus — what he calls the Copenhagen Consensus — around his do-nothing agenda, which he claims to be *the* reasonable scientific approach. Consider the mission of his Copenhagen Consensus Center, which says its focus is on “cost-effective solutions to the world's biggest challenges. ... Our analyses take into account not just the economic, but also health, social and environmental benefits.” Who could object? He assembles expert panels to review the issue, to reach a consensus on what should be done, carefully weighing costs and benefits. Again, who could object? But when one looks at the list of “experts,” one sees the conservative bias — all distinguished economists, but most with a particular bent, and not including any of the true experts in climate science who might have raised an objection.

Anyone not familiar with the literature might think from his frequent quoting of the Intergovernmental Panel on Climate Change that the panel, representing the scientific consensus, is on board with his ideas. Nothing could be further from the truth. In 2019 the I.P.C.C. put out a report explaining how much worse a 2 degree Celsius rise in temperature would be than a 1.5 degree Celsius rise. It takes only a little care in reading beneath the surface of the plodding scientific prose to realize how worried these scientists are. Understandably so: We have not seen these levels of carbon dioxide concentrations in the atmosphere since the Pliocene Epoch about three million years ago, when the polar ice caps were much smaller and global sea levels were 10 to 20 meters higher than today. (Full disclosure: I was a lead author of the I.P.C.C.'s Second Assessment.)

Lomborg is correct that climate change is not the only problem the world faces. But he poses a false choice, because it is possible to walk and chew gum at the same time. As the advocates of the Green New Deal point out, investments that reduce climate change

can usher in a new era of prosperity; as our commission emphasized, the green transition can promote economic growth — correctly measured.

As a matter of policy, I typically decline to review books that deserve to be panned. You only make enemies. Even a slight barb opens a wound the writer will seldom forget. In the case of this book, though, I felt compelled to forgo this policy. Written with an aim to convert anyone worried about the dangers of climate change, Lomborg's work would be downright dangerous were it to succeed in persuading anyone that there was merit in its arguments.

This book proves the aphorism that a little knowledge is dangerous. It's nominally about air pollution. It's really about mind pollution.

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