



Contributors

Focus On Trade, Not Climate Change

Bjorn Lomborg 12.15.08, 5:30 PM ET

While the world focused on United Nations-led discussions about climate change last week, international trade talks fell apart.

The World Trade Organization head says progress on the Doha Round--negotiations to lower trade barriers--is stalled until well into next year. This news sparked little global disquiet. Instead, there was greater emphasis on the politicians gathered in Poznan, Poland, to discuss revising the emission-reduction goals set by the Kyoto Protocol.

Many believe Kyoto's replacement--which will be finalized in Copenhagen in 2009--should set even stricter standards for carbon emissions. But this seems unreasonable. The 1997 Kyoto Protocol itself was overly ambitious; few countries have lived up to its requirements. Ninety-five percent of the agreement's envisioned cuts have not happened.

Even if Kyoto were fully implemented for the rest of this century, it would have almost no impact on climate. A hundred years from now, models show that it would reduce temperatures by an almost immeasurable 0.3 degrees Fahrenheit--while costing \$180 billion a year.

Most economic models predict the cost of climate change would add up to about 3% of global GDP by the end of the 21st century. Kyoto's cost, on the other hand, would be a permanent 0.5% loss to global GDP--yet it would only ameliorate the economic loss of climate change by one-sixth of one percent.

We currently expend massive quantities of political capital brokering global promises that are unlikely to be fulfilled. Debate rages bitterly over whether developing nations should commit to cutting carbon emissions, too; China and India are the main up-and-coming culprits. But they have many other pressing issues to deal with first.

We should deal with climate change more cleverly. The rational answer is to dramatically increase spending for research and development on low-carbon energy. Every nation should ideally commit to spending 0.05% of its GDP to explore these non-carbon-emitting technologies. This would come to about \$25 billion per year, which is seven times cheaper than the cost of the Kyoto Protocol. All nations would be involved, yet the richer ones would pay larger shares.

Our overall goal is not simply to reduce carbon emissions, but to achieve the best outcome we can for the planet--especially its most vulnerable people. To that end, the \$180 billion annual budget of the Kyoto Protocol could achieve a lot more good elsewhere--a point underscored by the Nobel economists who gathered in 2008 for the Copenhagen Consensus.

The expert panel was convened to prioritize solutions to the world's biggest problems. It found that interventions like improving malnutrition and child health in the Third World deserve a much higher priority than carbon cuts to battle climate change.

The experts based their decisions on the presentations of specialist researchers from each field. The panel was told that \$1 billion (0.5% of the annual cost of the Kyoto Protocol) spent on tuberculosis identification and treatment would save 1 million lives in the Third World, while \$200 million (0.1% of Kyoto) could prevent 300,000 heart attacks by exporting low-cost drugs to the world's poorest countries' health systems.

The panel concluded that the single best investment, one that could help the planet today, is spending on cheap, simple policies to combat malnutrition and hunger. Getting basic micronutrients to 80% of the 140 million or so undernourished children in the world would require just \$60 million annually--and produce economic gains that would surpass \$1 billion a year.

The Copenhagen Consensus economists also concluded that passing the Doha Round would be an astonishingly cheap way to reap the benefits of more free trade. From his research on the project, World Bank economist Kym Anderson concluded that, if developing countries cut their tariffs by the same proportion as high-income countries and services and investment were also liberalized, the global annual gains could climb as high as \$120 billion by 2015, with \$17 billion going to the world's poorest countries.

That money could help poor countries better respond to challenges they face--including climate change. To be sure, global agreements are notoriously difficult to engineer. But the latest delays to the Doha Round deserve our condemnation, as do the international community's latest misguided efforts to spend a fortune responding poorly to climate change.

Dr. Bjorn Lomborg, adjunct professor at the Copenhagen Business School, is the author of [The Skeptical Environmentalist](#) and, most recently, [Cool It: The Skeptical Environmentalist's Guide to Global Warming](#) . He is the organizer of the [Copenhagen Consensus](#) and was most recently named one of the 75 most influential people of the 21st century by Esquire magazine.