

Stop this foolish overreaction to climate change

Nigel Lawson

Over the past five years I have become increasingly concerned at the scaremongering of the climate alarmists, which has led the governments of Europe to commit themselves to a drastic reduction in carbon emissions, regardless of the economic cost of doing so. The subject is such a complex one, involving science, economics and politics in almost equal measure, that to do it justice I have written a book, albeit a short one, thoroughly referenced and sourced. But the bare bones are clear.

First, given the so-called greenhouse effect, the marked and largely manmade increase in carbon dioxide concentrations in the earth's atmosphere has no doubt contributed to the modest 20th century warming of the planet. But what remains a matter of unresolved dispute among climate scientists is how great a contribution it has made, compared with the natural factors affecting the earth's climate.

The majority view among climate scientists, as set out in the most recent report of the Intergovernmental Panel on Climate Change, is that "most" of the slight (0.5°C) warming in the last quarter of the 20th century was "very likely" caused by man-made carbon dioxide emissions. On that basis, and relying on computer models, its "best guess" of the likely rise in mean global temperature over the next 100 years is between 1.8°C and 4°C.

These projections were made, incidentally, before the recent acknowledgement that so far this century there has been no further global warming at all – in spite of a continuing rapid rise in carbon emissions.

Be that as it may, the IPCC goes on to estimate what the impact of the projected warming would be. It does so on the explicit basis of two assumptions. The first is that, while the developed world can adapt to warming, the developing world lacks the capacity to do so. The second is that, even in the developed world, adaptive capacity is constrained by the limits of existing technology – that is to say, there will be no further technological development over the next 100 years.

The first, distinctly patronising, assumption is almost certainly false. But even it were true it would mean only that, should the need arise, overseas aid programmes would be tailored to ensure that the developing world did acquire the necessary adaptive capacity. The second is self-evidently absurd, not least in the case of food production, given the ongoing developments in bio-engineering and genetic modification.

It is, however, on this flawed basis that the IPCC reckons that, if the rise in global temperature over the next 100 years is as much as 4°C, it would be likely to cost anything between 1 per cent and 5 per cent of global gross domestic product, albeit much more than this in the developing world and less in the developed world.

Even if that were so, what would it mean? Suppose the loss to the developing world were as much as 10 per cent of GDP, then – given the IPCC's economic growth assumptions, on which its emissions assumptions, and hence its warming assumptions, are

based– it would imply that, by 2100 or thereabouts, people in the developing world, instead of being some 9.5 times as well off as they are today, would be “only” some 8.5 times as well off – which would still leave them better off than people in the developed world today. This, then, is the scale of the alleged threat to the planet – based, to repeat, on the IPCC’s grossly inflated estimate of the likely damage from further warming, arising from its absurdly gloomy view of mankind’s ability to adapt.

Indeed, given that warming produces benefits as well as costs, it is far from clear that for the people of the world as a whole, the currently projected warming, even if it occurs, would cause any net harm at all. By contrast, slowing down world economic growth, by shifting to much more expensive noncarbon sources of energy, would be massively costly, as Dieter Helm, Britain’s foremost energy economist, has recently spelt out.

That is one good reason why the sought-after global agreement to cut back drastically on carbon dioxide emissions, embracing China, India and the other major developing countries, is not going to happen. But two very real dangers remain.

The first is that the European Union, which already has the bit between its teeth on this issue, will severely damage its own economy by deciding to set an example to the world. And the second is that it will seek to limit that damage, as President Nicolas Sarkozy of France and others are already urging, by imposing trade barriers against those countries that are not prepared to accept mandatory cuts in their emissions.

A lurch into protectionism, and the rolling back of globalisation, would do far more damage to the world economy in general and to the developing countries in particular than could conceivably result from the projected resumption of global warming.

It is high time this folly ended.

Lord Lawson was the UK’s chancellor of the exchequer, 1983-89. His book, *An Appeal to Reason: A Cool Look at Global Warming*, will be published by George Duckworth on Thursday