

The Manmade Contribution to Global Warming Is Not a Planetary Emergency

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MANY THANKS for the invitation to attend your conference and to speak here. I appreciate that a mere politician, a former economist, has been invited to address this well-known gathering of highly respected scientists. If I understand it correctly, this year's seminar is devoted to the discussion of the role of science and of "planetary emergencies".

To the first topic, I want to say very clearly that I don't see a special role for science which would be different from doing science. I have, of course, in mind "normal science", not a "post-normal science" whose ambitions are very often connected with political activism. The role of scientists is not in speculating on the probabilities of events that cannot be directly measured and tested, nor in promoting a pseudo-scientific "precautionary principle", nor in engaging in activities which are the proper function not of scientists but of risk managers.

To the second topic, I have to say that as a conservatively-minded person, I am unaware of any forthcoming "planetary emergency", with the exception of those potential situations which would be the consequences of human failures – of human fanaticism, of false pride, and of lack of modesty. But these are problems of political systems and of ideologies.

This brings me to the topic of my speech. I will try to argue that current as well as realistically foreseeable global warming, and especially Man's contribution to it, is not a planetary emergency which should bother us.

I am not a climatologist, but the IPCC and its leading spokespersons are not climatologists either. I am content to be a consumer of climatology and its related scientific disciplines. In this respect, I am located – in the economic jargon – on the demand side of climatology, not on the supply side.

There are many distinguished scientists here, and some of them are on the other side. I have no intention to break into their fields of study. By expressing my doubts about a simple causal relationship between human CO₂ emissions and climate, I do not have the slightest ambition to support one or another competing scientific hypothesis concerning the factors leading to global warming (or eventually cooling).

Nevertheless, my reading both of the available data and of conflicting scientific arguments and theories allows me to argue that it is not global warming caused by human activity that is threatening us.

My views about this issue have been expressed in a number of speeches and articles in the last couple of years all over the world. The book “Blue Planet in Green Shackles”¹ has already been published in 18 languages, last month even in Indonesian. The subtitle of the book asks, “What is Endangered: Climate or Freedom?” The real problem is not climate or global warming, but the Global Warming Doctrine and its consequences. They may eventually bring us close to a real planetary emergency. Absolutely unnecessarily, without any connection with global temperature.

This doctrine, as a set of beliefs, is an ideology, if not a religion.² It lives independently on the science of climatology. Its disputes are not about temperature, but are part of the “conflict of ideologies”. Temperature is used and misused in these disputes. The politicians, the media and the public – misled by the very aggressive propaganda produced by the adherents of the global warming doctrine – do not see this. It is our task to help them to distinguish between what is science and what is ideology.

Believers in the global warming doctrine have not yet presented its authoritative text, its manifesto. One of the reasons is that no one wants to be explicitly connected with it. Another is that to put such a text together would be difficult because this doctrine is not a monolithic concept which can be easily summarized. Its subject-matter does not belong to any single science. It presents itself as a flexible, rather inconsistent, loosely connected cascade of arguments, which is why it has quite successfully escaped the scrutiny of science. It comfortably dwells in the easy and self-protecting world of false interdisciplinarity which is really a non-disciplinarity, it is an absence of discipline.

My reading of this new incarnation of environmentalism can be summarized in the following way:

1. It starts with the claim that there is an undisputed and undisputable, empirically confirmed, statistically significant, global, not local, warming;
2. It continues with the argument that the time series of global temperature exhibit a growing trend which dominates their cyclical and random components. This trend is supposed to be non-linear, perhaps exponential;
3. This trend is declared to be dangerous for the people (in the eyes of “soft” environmentalists) or for the planet (by “deep” environmentalists);
4. This temperature growth is postulated as a solely or chiefly man-made phenomenon attributable to growing emissions of CO₂ from industrial activity and the use of fossil fuels;
5. The sensitivity of global temperature to even small variations in CO₂ concentration in the atmosphere is supposed to be very high;
6. Exponents of the global warming doctrine promise us a solution: the ongoing temperature increase can be reversed by radical reduction in CO₂ emissions³;

¹ Klaus, V.: *Modrá, nikoli zelená planeta: Co je ohroženo, klima nebo svoboda?*, Praha, Dokořán, 2007; English version: *Blue Planet in Green Shackles*, Competitive Enterprise Institute, Washington DC, 2008. Italian version: *Pianeta blu, non verde*, IBL Libri, Torino, 2009.

² I was recently in California. In my hotel room Al Gore’s book *An Inconvenient Truth* was next to the Bible.

³ This is what Ray Evans calls „The Theory of Climate Control“, Quadrant, No. 3, 2008.

7. They also know how to bring about their solution: they want to organize emissions reduction by means of the institutions of “global governance”. They forget to tell us that this is not possible without undermining democracy, the independence of individual countries, human freedom, economic prosperity and a chance to eliminate poverty in the world;

8. They rely on the undefined and undefinable “precautionary principle”. Cost-benefit analysis is not relevant to them.

This simple scheme can be, undoubtedly, improved, extended, supplemented or corrected in many ways, but I believe its basic structure is fair and correct.

I do not believe in any one of these eight articles of faith and I am not alone. There are many natural scientists and also social scientists, especially economists, who do not believe in them either. The problem is that most genuine scientists do science and are not willing to discuss this doctrine in the public space.

An additional problem is that natural scientists and social scientists do not talk to each other. They only come into contact with self-proclaimed interdisciplinarians who are very often mere dealers in second-hand ideas. Social scientists, in particular, tend to be silenced by seemingly authoritative statements that “the science is settled”, while natural scientists assume a priori that there is nothing “hard” in the social sciences.

Politicians – after having abandoned other ideologies – heartily welcomed this new one. They became rapidly convinced that playing the global warming card is an easy game to play, at least in the short or medium run. They hoped the voters would appreciate their caring about issues more serious than the next elections. The problem is that the politicians (to say nothing about the media) do not take into consideration the long-term consequences and costs of measures demanded by this doctrine.

How to make a change? I dare say that science itself will not make the change, regardless of its achievements. The Global Warming Doctrine is not based on science. Accordingly, scientific debate itself cannot bring it into disrepute. The course of the world-wide global warming debate more or less confirms this elementary methodological argument. Serious scientific research continues to bring us new pieces of knowledge almost on a daily basis, but it has not brought and will not bring us any decisive breakthrough in the public debate on this topic. Climate is a complex system. In spite of the dreams of believers in general systems theory, any scientific discovery concerning this topic will always be only a partial one.

Can a decisive change come as a result of new empirical data? I doubt it. It is evident that the current temperature data confirm neither the alarmist and apocalyptic views of the believers in the GWD, nor their quasi-scientific hypotheses about the exclusivity of the relationship between CO₂ and temperature. The world has not warmed for the last 15 years, but that is too short to shatter the whole carefully built edifice of the global warming doctrine. Moreover, it should not be forgotten that some of us have been arguing that a century in climatology is too short to prove the ongoing global warming as a new long-term trend. That is why, for the sake of symmetry, we must accept that a decade is not sufficient to do the opposite.

Discussing technicalities in more and more depth will not help us, because the supporters of the global warming doctrine are not interested in them. We are not dealing with people who are authentically interested in science, in objective truth, in identifying the causes of incremental changes in temperature. For them, the temperature data are just an instrument in their plans to change the world, to suppress human freedom, to bring people back to underdevelopment. Their ideas are the ideas of ideologues, not of scientists or climatologists. Data and theories, however sophisticated, will not change their views.

I mentioned my economic background. Let me turn attention to what the field of economics – with all of its internal disagreements – says to that:

1. Economists believe in the rationality and efficiency of the spontaneous decisions of millions of individuals. They believe in “the wisdom of people” rather than in the wisdom of governments and of their scientific advisors. They do not deny that market failures happen, but they have many reasons to argue that government failures are bigger and much more dangerous than market failures. They consider that jumping on the bandwagon of the global warming doctrine is an example of a serious government failure which undermines markets, human freedom and human prosperity;

2. Economists, at least since Frederic Bastiat, have considered it their duty to warn policymakers against unintended consequences and against failing to differentiate between what is seen and what is not seen;

3. Economists have at their disposal a rather developed subdiscipline called “energy economics”. They know something about scarcity, as well as about prices, and they have to warn governments against playing with them.

4. Economists believe in rational risk-aversion, not in the precautionary principle;

5. Economists are aware of externalities and have worked with them for a long time. It is their own concept: it was not discovered by environmentalists. They consider it dangerous in unqualified hands. After decades of studying it, they do not see the world as full of negative externalities a priori;

6. Economists base their thinking about intertemporal events on a rather sophisticated concept of discounting. It was the misunderstanding of discounting in the climatologic modeling that brought me into the subject of global warming some years ago;

7. Economists have some undeniable experience with the analysis of time series. Statistical and econometric methods used in economic analysis are full of sophisticated models not used in natural sciences, because these are based mostly on the analysis of cross-section data samples. They know something about the problems with the imperfect quality of data, about measurement errors, about data mining, about the precariousness of all kinds of averages and other statistical characteristics. They also have some experience with computer modelling in complex systems, with pseudocorrelations, with the sensitivity of parameter adjustments, etc. For that reason they are convinced they have the right to comment on the statistical analyses of climatologists.⁴

⁴ I would like to mention at least R. McKittrick and S. McIntyre and their attack on the bastion of the GWD, on the so called „hockey stick“.

Based on all that:

First, economists do not see the outcome of the cost-benefit comparisons of CO₂ emission reductions as favourably as the adherents of the global warming doctrine. They know that energy demand and supply patterns change only slowly. They see the very high degree of stability of the relationship between man-made carbon dioxide emissions, economic activity and emissions intensity, and possess no hypothesis for expecting a radical shift in this relationship. Emissions intensity (as a macro-phenomenon) moves only very slowly and does not make miracles. The very robust relationship between CO₂ emissions and the rate of economic growth is here, and is here to stay.

If somebody wants to reduce CO₂ emissions, he must either expect a revolution in economic efficiency (which determines emissions intensity) or start organizing a world-wide economic decline. Revolutions in economic efficiency – at least in relevant time horizons – have never been realized in the past and will not happen in the future either. It was the recent financial and economic crisis, not a technological miracle or preaching by the IPCC, that brought about a slight – and probably temporary – reduction in CO₂ emissions. The GWD adherents should explain to the people worldwide that to achieve their plans economic decline is inevitable.

Secondly, the relationships studied in natural sciences are not influenced by subjective valuations of the variables in question, nor by any rational (or irrational) behaviour, nor by the fact that people make choices. In social or behavioural sciences, it is more difficult. To make rational choices means to pay attention to intertemporal relationships and to look at opportunity costs. It is evident that by assuming a very low, near-zero discount rate the proponents of the global warming doctrine neglect the issue of time and of alternative opportunities.

A low discount rate used in global warming models means harming current generations (*vis-à-vis* future generations). Undermining current economic development harms future generations as well. Economists representing very different schools of thought, from W. Nordhaus at Yale⁵ to K. M. Murphy at Chicago⁶, tell us convincingly that the discount rate – indispensable for any intertemporal calculations – should be around the market rate, around 5%, and that it should be close to the real rate of return on capital, because only that rate reflects the true opportunity cost of climate mitigation.

We should not accept claims that by adopting low discount rates we “protect the interests of future generations”,⁷ or that opportunity costs are irrelevant because in the case of global warming “the problem of choice does not exist” (p. 104). This uneconomic or perhaps anti-economic way of thinking must never be accepted.

Thirdly, as someone who personally experienced central planning and attempts to organize the whole of society from one place, I feel obliged to warn against the arguments and ambitions of the believers in the global warming doctrine. Their

⁵ A Question of Balance: Weighing the Options on Global Warming Policies, Yale University Press, June 2008

⁶ Some Simple Economics of Climate Changes, paper presented to the MPS General Meeting in Tokyo, September 8, 2008

⁷ M. Dore: “A Question of Fudge”, World Economics, January–February 2009, p. 100

arguments and ambitions are very similar to those we used to live with decades ago under Communism. The arrogance with which the global-warming alarmists and their fellow-travellers in politics and the media present their views is appalling. They want to suppress the market, they want to control the whole of society, they want to dictate prices (directly or indirectly by means of various interventions, including taxes), they want to “use” the market. I agree with Ray Evans that we experience the “Orwellian use of the words ‘market’ and ‘price’ to persuade people to accept a control over their lives”⁸. All the standard economic arguments against such attempts should be repeated. It is our duty to do it.

To conclude, I agree with many serious climatologists who say that the warming we may expect will be very small. I agree with Bob Carter and other scientists that it is difficult “to prove that the human effect on the climate can be measured” because “this effect is lost in the variability of natural climate changes”⁹. Provided that there are no irrational attempts to mitigate the human effect on global temperature, the economic losses connected with the warming we may expect will be very small. The loss generated as a result of the completely useless fight against global warming would be far greater.

⁸ The Chilling Costs of Climate Catastrophism, Quadrant, June 2008

⁹ Heartland Institute’s International Conference on Climate Change, New York City, March 2009, p. 23. Professor Carter’s arguments are more developed in his book “Climate: The Counter Consensus”, Stacey International, London, 2010