

[Bjorn Lomborg's Cool It](#) [1]

Written by [Anton Howes](#) [2] | Friday 6 May 2011



Yesterday I attended a screening of "Cool It" at the Legatum Institute, with comments by its writer and presenter Bjorn Lomborg. While he accepts the calculations of the International Panel on Climate Change, he believes that the environmentalist movement largely fails when it comes to solutions to climate change. For the libertarian movement this is a very important debate. It seems wise to accept that climate change may indeed be a problem, and to offer our own solutions, rather than trying to dismiss the very notion that solutions may be needed.

Lomborg's criticisms of the current consensus are powerful. Pledging to cut emissions is clearly getting us nowhere, and attempting to raise the cost of carbon would be damaging for consumers facing higher prices. Cap-and-trade schemes whereby carbon permits are allocated and sold to businesses are prone to huge government failures: the inevitable capture by corporate interests may even result in businesses finding it more cost-effective simply to produce the pollution rather than actually manufacturing anything.

Similarly, governments trying to pick winners suffer from perverse incentives. By artificially deciding what technology will be the future of green energy, investment takes place in building more rather than in making it cost-efficient. Lomborg uses the brilliant analogy of attempting to build more computers in the 1950s. Fortunately, we didn't, and instead waited for the technology to develop. But vested interests also intrude themselves on the process, for example denying an equal footing for technologies that really could challenge vested interests.

However, his own solutions are also problematic. Lomborg claims that the best alternative is to spend the current funding on research and development: it is more cost-effective. But politicians want to build a new technology ready for a photo opportunity rather than invest in something so long-term. Lots of this money will also be wasted, and Lomborg acknowledges this too - he wants to 'let a thousand flowers bloom', funding both success and failure as only a handful of major breakthroughs are needed for it to be worthwhile. Furthermore, the funded researchers may become costly subsidy junkies, exaggerating their claims in exactly the same way the environmentalists do, themselves becoming harmful vested interests.

So why not leave it to the market? After all, the market system is characterised by both success and failure; by competition. It allows experimentation at no cost to the taxpayer, and involves no perverse political incentives. Indeed, levelling the playing field by reducing subsidies for existing industries could further reduce the taxpayers' burden. We need more money to go into research, and this too is achievable by reducing the crowding-out effect of state-funded green technology. Bjorn Lomborg is right to move the

debate to solutions rather than problems. But libertarians now need to figure out the best solutions.

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