

No Progress in the Climate Change Debate*

Hon Dr Vaclav Klaus,

President of the Czech Republic

President pro-tem of the European Union

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When preparing my today's remarks, I took into my hands - looking for an inspiration - my last year's speech here, at the Heartland Institute's Conference. It did not help much. It is evident that the climate change debate has not made any detectable progress and that the much needed, long overdue exchange of views has not yet started. All we see and hear are uninspiring monologues.

It reminds me of the frustration people like me felt in the Communist era. Whatever you said, any convincing and well prepared arguments you used, any relevant data you assembled, no reaction. It all fell into emptiness. Nobody listened, especially "they" did not listen. They didn't even try to argue back. They considered you a naive, uninformed and confused person, an eccentric, a complainer, someone not able to accept their only truth. It is very similar now.

A few weeks ago, at the World Economic Forum in Davos, I spent three hours at a closed session of about sixty people - heads of states and governments with several IPCC officials and "experts" like Al Gore, Tony Blair and Kofi Annan. The session was chaired by the Danish Prime Minister because its main topic was how to prepare the new Kyoto, the December 2009 UN-Copenhagen summit.

It was a discouraging experience. You looked around in vain to find at least one person who would share your views. There was no one. All the participants of the meeting took man-made global warming for granted, were convinced of its dangerous consequences and more or less competed in one special discipline - whether to suggest a 20, 30, 50 or 80% CO₂ emissions cut as an agreed-upon, world-wide project. It was difficult to say anything meaningful and constructive. Among other things I tried to turn their attention to was the argument that they made such radical proposals even though their own countries had not fulfilled even the relatively modest Kyoto Protocol obligations. There was no reaction to that. After the session, one friendly looking president of a relatively large non-European country told me that he had never heard anything like my views, but was interested and wanted to hear more. I gave him my book "Blue Planet in Green Shackles".

Nevertheless, we have to continue speaking to those people because they have a very strong voice in popularizing the global warming alarmism and in making decisions with far-reaching consequences. I try to do it permanently. The politicians are, however, not alone. They succeeded in creating incentives which led to the rise of a very powerful rent-seeking group. Very much like the politicians, these people are interested neither in temperature, CO₂, competing scientific hypotheses and their testing, nor in freedom or markets. They are interested in their businesses and their profits - made with the help of

politicians.

These rent seekers profit:

- from trading the licenses to emit carbon dioxide;
- from constructing unproductive wind, sun and other similar equipments able to make only highly subsidized electric energy;
- from growing non-food crops which produce non-carbon fuels at the expense of producing food (with well-known side effects);
- from doing research, writing and speaking about global warming.

It is always the same story with the same results. On the one hand, a highly concentrated and easily organized rent-seeking group and, on the other, widely dispersed, and therefore politically unorganizable individuals, the usual silent majority. I am frustrated that the economists and other social scientists do not try to enter the current debate. For us, in the former Communist countries, the discovery of the works of the public-choice school scholars was a revealing experience. I somewhat naively assumed that their views belonged to the "conventional wisdom" in the Western world. This was not and is not true.

How to educate and enlighten those who make decisions? The politicians - hopefully - sometimes look at the very condensed versions of the IPCC's Summaries for Policymakers but these documents do not represent science, but politics and environmental activism. It is difficult to change their minds. They did fully subscribe to the idea that the IPCC publications represent "the" climate science. We know that is not true and that there is no scientific discipline of climate science. Climate is such a complex system that it has no "science" of its own. There are, of course, very respectable sciences that deal with some parts of it. And they tell us quite persuasively that:

1. there is no one unique, unprecedented climate change just now, but permanent climate changes. The climate system of our planet has a significant internal variability. The past data are in this respect quite convincing;
2. the current climate changes cannot be subsumed under the hypothesis of anthropogenic global warming. This claim is based exclusively on the results of experiments with the very imperfect computer models;
3. the Earth's climate sensitivity to carbon dioxide is lower than is assumed by the IPCC. For a doubling of carbon dioxide concentration the global average surface temperature will increase not more than by about 0.5 °C;
4. there is no fixed and stable relationship between measured temperature and CO₂ emissions. The believers in this hypothesis are not able to explain why the global temperature increased from 1918 to 1940, decreased from 1940 to 1976, increased from 1976 to 1998 and decreased from 1998 to the present, irrespective of the fact that the people have been adding increasing amounts of CO₂ to the atmosphere.

I would be able to continue presenting further arguments of that kind but this is not a field in which I do possess any comparative advantage. Perhaps in Davos, but not here. I am, therefore, looking forward to new ideas, arguments and data coming out of this conference.

Let me make a few short comments from "my" fields.

I am puzzled by the environmentalists' approach to technical progress. On the one hand, there is a huge difference between our technology optimism, based on our belief in secular improvements in technology on condition the free and unregulated, unconstrained, un-manipulated economic system makes them possible, and environmentalists' technology skepticism along traditional Malthusian lines. On the other hand, the environmentalists are, at the same time technology naiveists who freely and irresponsibly operate with miraculous technologies which have only one defect: they have not yet been invented. This is an apparent schizophrenia on their side. They should tell us how it really is. I am afraid they are not so naive as they pretend to be. They, probably, "only" do not want to reveal their true plans and ambitions: to stop economic development and return mankind centuries back. In that case technologies are unimportant.

Their attack on today's technologies is an irrational practice with fatal consequences.

As far as I know, the existing and functioning technologies had never been abandoned before they were genuinely replaced by better ones. There arises - for the first time in history - a threat that the old technologies will be abandoned before new technologies become available. This should also be explained to the politicians in alternative "summaries for policymakers", but they should be written by economists. We should also tell them that there is no known and economically feasible method or technology by which industrial economies can survive on expensive, unreliable, clean, green, renewable energy.

Another issue which bothers me is the exceptional absence of rational thinking as regards inter-temporal decision making, especially when time-horizons are so long as in this case. The despotically ruling, politically correct aprioristic moralism (based on the disagreement with the infamous Keynes' dictum "in the long run, we are all dead" or with the not less famous Madame De Pompadour's maxim - "apres nous le deluge") is basically flawed.

The questions which need to be answered are serious and non-trivial. Should we make radical decisions now? Should we tax today's generations to benefit future generations? Should we be generously altruistic? Should we give preference to future generations and not to the people living in undeveloped countries today? My answer is no.

We could have made such far-reaching decisions only on the absolutely unrealistic assumption that we know all relevant parameters of the future economic system, including the level of wealth and technology, and that we know all the parameters in an adequately discounted form. The controversy about Nicolas Stern's and Ross Garnaut's irrationally low discount rates used in their very influential models suggests that such transfers are not justifiable.

To conclude, it is evident that the environmentalists don't want to change the climate.

They want to change us and our behavior. Their ambition is to control and manipulate us. Therefore, it should not be surprising that they recommend "preventive", not "adaptive" policies. Adaptation would be our voluntary behavior which is not what they aim at. They do not want to recognize that - to quote Nigel Lawson - "the capacity to adapt is arguably the most fundamental characteristic of mankind" and that our "adaptive capacity is increasing all the time with the development of technology".

The environmentalists speak about "Saving the Planet". From what? And from whom? One thing I know for sure: we have to save it - and us - from them.