



*The solution to climate change—or at least the problems caused by climate change—is economic growth.*

**Y**ou don't need an opinion about climate science—nor any opinion about the 'need' for action on carbon dioxide emissions—to observe that political action on a national or global scale will be totally futile to achieve the ambitious decarbonisation goals that activists claim are necessary to stop the world from boiling over.

Australian greenhouse gas emissions are 1.5 per cent of the global total. Our carbon dioxide emissions less again. The distorted, costly, lumbering emissions trading scheme which the government has failed to get through the parliament twice, could only reduce emissions at an extraordinary cost. The success of an emissions trading scheme relies on governments ramping up the price of carbon incrementally, and doing so for the next half century. But are future governments going to be eager to do so once the cost of emissions reductions becomes obvious?

A serious global deal is just as unlikely. Compare the international negotiations over carbon emissions to the international negotiations over free trade. Free trade is unquestionably in each individual country's national interest, yet negotiations have dragged on for fifty years. Emissions reduction is manifestly not in any individual country's interest, at least in the absence of a consistent, globally applied and enforceable agreement.

Air pollution is either a massive or a trivial failure to allocate property rights, depending on whether you are a climate change believer or a climate change sceptic; it is a failure regardless. But—taking for a moment the worst case climate scenarios endlessly publicised by Greenpeace, Tim Flannery, and the Climate Institute—even when action is *necessary*, effective action is not necessarily *possible*.

The idea that we could get anything resembling coherent action on climate change out of self-interested horse-trading that characterises the typical treaty negotiation is as naive as Ross Garnaut's recent disappointment that the Rudd government didn't adopt the ideal emissions trading scheme he recommended in 2008.

But there are great reasons for optimism. Free market environmentalists have long urged *adaptation* to climate change to be prioritised over attempts at mitigating or resisting cli-



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mate change. The practical impossibility of global decarbonisation makes mitigation a white elephant. It's just not going to happen.

Hence adaptation. We know that the biggest costs of climate change fall disproportionately on the poor. So the solution to climate change—or at least the problems caused by climate change—is economic growth. At the Institute of Public Affairs climate change conference in November, Richard Tol and the IPA's Alan Moran examined the economic costs of a warmer globe against projected economic growth. It should come as no surprise that the latter dwarfs the former. In this *IPA Review*, Louise Staley looks at some of the technologies by which the developing world could rapidly grow.

Science can only be one input into policy-making. When formulating policy, there is much more to consider—politics, economics, and morality, to name just a few. We are retrospectively horrified by the progressive eugenics movement not because their science was incorrect, although it was, but by the values of those who adapted it into a political program. Climate change is not eugenics, but the idea that democracy has failed because it has not immediately enacted the policy recommendation of scientists should be treated with the disrespect it deserves. And, as Henry Ergas argues in this issue, this vulgar-authoritarianism isn't just limited to climate change—it has sadly become a regular feature of policy debate in Australia. **R**