COMMENTARY

Storm Surge

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Even as the clean-up continues in the Atlantic Basin, a lot has been written about Hurricane Dean. Some commentators believe nature is sending us a message. They say that the effects of climate change are getting out of hand, and it is time to take action.

We have heard this point many times before. With every "extreme weather event," passionate climate change activists ride a public wave of concern. Former Vice President Al Gore believes we must make drastic reductions in carbon emissions because weather-related disasters are on track to cost as much as $1 trillion by 2040. Mr. Gore is right that there is a growing problem, but he has identified the wrong solution.

The global cost of climate-related disasters has increased relentlessly over the past half century. Hurricane Dean has left behind many billions of dollars of damage. But when Mr. Gore links global warming to the spiraling increase in weather-related insurance costs, he misses the fundamental points.

It has become more popular than ever to reside in low-lying, coastal areas that are particularly vulnerable to extreme weather. In Florida, more people live in Dade and Broward counties today than lived in all 109 coastal counties from Texas through Virginia in 1930. It's obvious that more damage will occur when many more people with much more wealth live in harm's way.

No matter how you look at it, however, the prospect of $1 trillion of weather-related damage by 2040 is frightening. But it is just as frightening that we have developed a blinkered focus on reducing carbon emissions as a way to somehow stop the devastation of events like Hurricane Dean.

Presumably, our goal is to help humans and the planet. Cutting carbon is a very poor way of doing that. If coastal populations kept increasing but we managed to halt climate warming, then research shows that there would still be a 500% increase in hurricane damage in 50 years' time. On the other hand, if we let climate warming continue but stopped more people from moving into harm's way, the increase in hurricane damage would be less than 10%.

So, which policy knob should we turn first: The climate knob that does so very little, or the societal knob that would do 50 times more? It is obviously unrealistic to believe that we could turn either knob all the way. We cannot halt climate change entirely, just as we cannot hold back the wave of people moving into beach houses.

If the United States and Australia were to sign up to the Kyoto Protocol and its binding restrictions were to last all the way until 2050, very little would be achieved: Hurricane damage would increase by half a percent less than it would without Kyoto.

There are many more effective things we could do. Communities at risk should have better education, evacuation plans and relief distribution. These are "ambulance at the bottom of the cliff" measures, but there are also plenty of proactive options, like regulating vulnerable land and avoiding state-subsidized, low-cost insurance that encourages people to build irresponsibly in high-risk areas.
Policy makers can improve and better enforce building codes to ensure structures can withstand higher winds, and maintain and upgrade the protective infrastructure of dikes and levies. More investment could be made in improved forecasts and better warning systems. Reducing environmental degradation and protecting wetlands would mean fewer landslides and stronger natural barriers against hurricanes.

Conservative estimates suggest we could halve the increase in damage through these incredibly cheap and simple social policy measures. This was shown powerfully in a previous weather disaster, Hurricane Katrina, when one insurance company found that 500 storm-hit locations that had implemented all the hurricane-loss prevention methods experienced one-eighth the losses of those that had not done so. By spending $2.5 million, these communities had avoided $500 million in damage. Often, big benefits can come from cheap and simple structural measures like bracing and securing roof trusses and walls using straps, clips or adhesives.

We shouldn't ignore climate change. We should tackle it smartly. We should make a 10-fold increase in research to make zero-carbon energy cheaper in the future. This would be much more efficient than Kyoto, yet cost almost 10 times less. In any event, hurricane damage is increasing, whether we like it or not. Kyoto would cost trillions and reduce increased damage by about 0.5%. Simple preventive measures would cost a small fraction of that cost, but do a hundred times better.

Hurricane Dean is a reminder of nature's force. Over the past few years, we have focused on only one "solution" to extreme weather events. Imagine if we had spent our time and energy on approaches that would actually make things better in the future. We still have an opportunity.

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