

Answers to questions from the House of Representatives of the U.S. Congress, Committee on Energy and Commerce, on the issue of mankind's contribution to global warming and climate change

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1. Concerning mankind's contribution to climate change and in keeping with obligations towards the welfare of our citizens: what, in your view, should policymakers consider when addressing climate change?

The – so called – climate change and especially man-made climate change has become one of the most dangerous arguments aimed at distorting human efforts and public policies in the whole world.

My ambition is not to bring additional arguments to the scientific climatological debate about this phenomenon. I am convinced, however, that up to now this scientific debate has not been deep and serious enough and has not provided sufficient basis for the policymakers' reaction. What I am really concerned about is the way the environmental topics have been misused by certain political pressure groups to attack fundamental principles underlying free society. It becomes evident that while discussing climate we are not witnessing a clash of views about the environment but a clash of views about human freedom.

As someone who lived under communism for most of my life I feel obliged to say that the biggest threat to freedom, democracy, the market economy and prosperity at the beginning of the 21st century is not communism or its various softer variants. Communism was replaced by the threat of ambitious environmentalism. This ideology preaches earth and nature and under the slogans of their protection – similarly to the old Marxists – wants to replace the free and spontaneous evolution of mankind by a sort of central (now global) planning of the whole world.

The environmentalists consider their ideas and arguments to be an undisputable truth and use sophisticated methods of media manipulation and PR campaigns to exert pressure on policymakers to achieve their goals. Their argumentation is based on the spreading of fear and panic by declaring the future of the world to be under serious threat. In such an atmosphere they continue pushing policymakers to adopt illiberal measures, impose arbitrary limits, regulations, prohibitions, and restrictions on everyday human activities and make people subject to omnipotent bureaucratic decision-making. To use the words of Friedrich Hayek, they try to stop free, spontaneous human action and replace it by their own, very doubtful human design.

The environmentalist paradigm of thinking is absolutely static. They neglect the fact that both nature and human society are in a process of permanent change, that there is and has been no ideal state of the world as regards natural conditions, climate, distribution of species on earth, etc. They neglect the fact that the climate has been changing fundamentally throughout the existence of our planet and that there are proofs of substantial climate fluctuations even in known and documented history. Their reasoning is based on historically short and incomplete observations and data series which cannot justify the catastrophic conclusions they draw. They neglect the complexity of factors that determine the evolution of

the climate and blame contemporary mankind and the whole industrial civilization for being the decisive factors responsible for climate change and other environmental risks.

By concentrating on the human contribution to the climate change the environmentalists ask for immediate political action based on limiting economic growth, consumption, or human behavior they consider hazardous. They do not believe in the future economic expansion of the society, they ignore the technological progress the future generations will enjoy, and they ignore the proven fact that the higher the wealth of society is, the higher is the quality of the environment.

The policymakers are pushed to follow this media-driven hysteria based on speculative and hard evidence lacking theories, and to adopt enormously costly programs which would waste scarce resources in order to stop the probably unstoppable climate changes, caused not by human behavior but by various exogenous and endogenous natural processes (such as fluctuating solar activity).

My answer to your first question, i.e. what should policymakers consider when addressing climate change, is that policymakers should under all circumstances stick to the principles free society is based on, that they should not transfer the right to choose and decide from the people to any advocacy group claiming that it knows better than the rest of the people what is good for them. Policymakers should protect taxpayers' money and avoid wasting it on doubtful projects which cannot bring positive results.

2. How should policies address the rate and consequences of climate change and to what extent should regulation of emissions of greenhouse gases be a focus of any such policies?

Policies should realistically evaluate the potential our civilization has, as compared with the power of natural forces influencing climate. It is an evident waste of society's resources to try to combat an increase of solar activity or the movement of ocean currents. No government action can stop the world and nature from changing. Therefore, I disagree with plans such as the Kyoto Protocol or similar initiatives, which set arbitrary targets requiring enormous costs without realistic prospects for the success of these measures.

If we accept global warming as a real phenomenon, I believe we should address it in an absolutely different way. Instead of hopeless attempts to fight it, we should prepare ourselves for its consequences. If the atmosphere warms up, the effects do not have to be predominantly negative. While some deserts may get larger and some ocean shores flooded, enormous parts of the earth – up until now empty because of their severe, cold climate – may become fertile areas able to accommodate millions of people. It is also important to realize that no planetary change comes overnight.

Therefore, I warn against adopting regulations based on the so- called precautionary principle which the environmentalists use to justify their recommendations, the clear benefit of which they are not able to prove. Responsible politics should take into account the opportunity costs of such proposals and be aware of the fact that the wasteful environmentalist policies are adopted to the detriment of other policies, thus neglecting many other important needs of millions of people all over the world. Each policy measure must be based on a cost- benefit analysis.

Mankind has already accumulated tragic experience with one very proud intellectual stream that claimed that it knew how to manage society better than spontaneous market forces. It was communism and it failed, leaving behind millions of victims. Now, a new -ism has emerged that claims to be able to manage even nature and, through it, people. This excessive human pride – just as the previous attempts – cannot but fail. The world is a complex and complicated system that cannot be organized according to an environmentalist human design, without repeating the tragic experience of wasting resources, suppressing people's freedom, and destroying the prosperity of the whole human society.

My recommendation, therefore, is to pay attention to the thousands of small things that negatively influence the quality of the environment. And to protect and foster fundamental systemic factors without which the economy and society cannot operate efficiently – i.e. to guarantee human freedom and basic economic principles such as the free market, a functioning price system and clearly defined ownership rights. They motivate economic agents to behave rationally. Without them, no policies can protect either the citizens or the environment.

Policymakers should resist environmentalist calls for new policies because there are too many uncertainties in scientific debates on climate change. It is impossible to control natural factors causing climate change. The negative impact of the proposed regulation on economic growth is to the detriment of all other possible risks, including the environmental ones.

3. What will be the effect on national economies, consumer well-being, job creation, and future innovation under various climate change policy scenarios that have come to your attention?

If the policymakers accept the maximalistic environmental demands, the effects on national economies will be devastating. It would stimulate some, very small parts of the economy while leaving a bigger part of it choked by artificial limits, regulations, and restrictions. The rate of growth would decline and the competitiveness of the firms on international markets would be seriously affected. It would have a negative impact on employment and job creation. Only rational policies, making spontaneous adjustments possible, can justify government intervention.

4. What impact and effectiveness will so-called cap-and-trade policies have upon the reduction of climate change threats and our ability to address these threats in the future?

Cap-and-trade policies are a technical tool to achieve pollution reduction goals by more market compatible means. They can help if the general idea behind the scheme is rational. I do not believe the whole idea to combat climate change by emission limits is rational and I, therefore, consider the technicalities of its eventual implementation to be of secondary importance.

5. What is the moral obligation of developed countries to the developing countries of the world? Should developed countries embark on large emissions reduction schemes while developing countries are allowed to continue to increase emissions unabated?

The moral obligation of developed countries to the developing countries is to create such an environment which guarantees free exchange of goods, services, and capital flows, enables utilization of comparative advantages of individual countries and thus stimulates economic development of the less developed countries. Artificial administrative barriers, limits and regulations imposed by developed countries discriminate the developing world, affect its economic growth, and prolong poverty and underdevelopment. The environmentalist proposals are an exact example of such illiberal policies that are so harmful for the developing countries. They will not be able to cope with the limits and standards imposed on the world by irrational environmental policies, they will not be able to absorb new technological standards required by the anti-greenhouse religion, their products will have difficult access to the developed markets, and as a result the gap between them and the developed world will widen.

It is an illusion to believe that severe anti-climate change policies could be limited to developed countries only. If the policies of the environmentalists are adopted by developed countries, sooner or later their ambitions to control and manage the whole planet will spread the emissions reduction requirements worldwide. The developing countries will be forced to accept irrational targets and limitations because “earth is first” and their needs are secondary. The environmentalist argumentation gives ammunition to protectionists of all colors who try to eliminate competition coming from newly industrialized countries. Therefore, the moral obligation of the developed countries is not to introduce large emissions reduction schemes.

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