Bjorn Lomborg Is the World’s Most Optimistic Statistician
by Jonathan Ledgard

from strategy+business issue 38, Spring 2005

reprint number 05108
The Danish Socialist has courted fame and calumny by daring to declare that the world is getting better.

Bjorn Lomborg
Is the World’s Most Optimistic Statistician
by Jonathan Ledgard

The guts of Copenhagen are laid out beside its harbor. There is the elegant Amalienborg Palace with its cobalt-uniformed grenadiers, and the Danish royal yacht, with its teak deck, riding at anchor before the headquarters of the Maersk shipping company. Then there’s the old wharf — now renovated, in a space-age design, for use as offices — where sailing ships to Greenland and Iceland used to tie up. Hidden beyond this new wharf in stands of oak is the “free city” of Christiana, a hippie commune where the only abiding rules are no violence, no cars, and no sale of property. Leaning forward over the harbor railings, it is just possible to make out the windmills chopping out electricity on the pebble-gray Baltic.
“Hey there!” salutes a blond man in a black polo shirt and jeans, who is sailing to his own office on a mountain bike, following a meeting with the prime minister. His breezy attitude belies Bjorn Lomborg’s place on earth, both in Denmark and, indeed, around the world. For in this period of passionate debate about globalization’s effect on the environment, the 39-year-old associate professor of statistics at Aarhus University, in the Danish provinces, has dared to argue that, to quote an old mantra, every day, in every way, we are getting better and better.

The doyen of a philosophy known as the New Optimism, Professor Lomborg says that air and water are getting cleaner, that endangered species and forests are holding their own, and, most controversially, that the risks associated with global warming are exaggerated. New Optimists, although acknowledging the persistent reality of extreme hardship and poverty for some, believe that more people than ever before, living in all parts of the globe, are becoming healthier, richer, and better educated; that the human race is living longer and more peaceably; that we’re considerably freer to pursue our happiness; and that we are entertained throughout our mortal span. By extrapolating from past and present trends, Professor Lomborg and his acolytes posit that in another hundred years, the countries that once were called the underdeveloped “Third World” will be two to four times as rich as the developed countries are today.

Professor Lomborg was catapulted to fame — or infamy, depending on your point of view — in 2001 with the publication of his book *The Skeptical Environmentalist: Measuring the Real State of the World* (Cambridge University Press), a feisty tome that takes on scientists, environmentalists, politicians, and others in a doomsday frame of mind for their emotional responses to societal risks. The book lays out the central tenets of New Optimism, backing up its “quit singing the blues, it ain’t so bad” message with table after table of statistics, drawn mostly from sources in national governments, United Nations agencies, and the Organisation for Economic Cooperation and Development.

The business and financial press certainly seem to recognize and appreciate Professor Lomborg and the New Optimist messages. Although he is better known in Europe than in the United States, all the major global business magazines — *Business Week*, *Fortune*, *Forbes*, and *The Economist* — have offered Professor Lomborg plaudits. In 2004, *Time* magazine named him one of the 100 most influential people on the planet. But to his critics — equally global in presence and voice — he is roughly the equivalent of an environmental Antichrist. Rajendra Pachauri, the chairman of the United Nations’ Intergovernmental Panel on Climate Change (IPCC) said in an interview with *Jyllandsposten*, a leading Danish newspaper: “What is the difference between Bjorn Lomborg’s view of humanity and Hitler’s? You cannot treat people like cattle. You must respect the diversity of cultures on earth. If you were to accept Bjorn Lomborg’s way of thinking, then maybe what Hitler did was the right thing.”

**Consensus Seeker**

Professor Lomborg hardly seems that malignant: His cheerfulness and body language are those of an evangelist bearing good news to the world. In fact, his latest and most controversial project, called the Copenhagen Consensus, aims to do just that. Professor Lomborg is
seeking to get the world’s leading economists to agree on and then rank the most pressing global problems in order of urgency, and then begin work on convincing world leaders to collectively pursue these priorities. Why is he doing this? In a classic expression of New Optimist pragmatism, Professor Lomborg says, “We need to dwell on the positive to stave off a sense of futility.”

Indeed, the movement he is leading attempts to turn gloomy Malthusianism on its head. Precisely because resources are scarce, Professor Lomborg argues, we should decide how to allocate resources in ways that will do the greatest good for the largest number of people.

Organized by Professor Lomborg when he was director of the Environmental Assessment Institute, a Danish think tank set up to consider how best to spend tax revenues on environmental improvement, the project is financed by the Danish government and foundations, including the philanthropic arm of the large Danish brewer Carlsberg. In 2004, to kick off the project, eight accomplished economists from around the world were asked to gather in Copenhagen; they were charged with drawing up a list of the 10 most pressing global challenges, and then parceling out a theoretical $50 billion bonanza among them. “Consensus,” though, is a bit of a misnomer. One of Professor Lomborg’s chief aims was actually to break up a consensus of “dismay and fatalism” (in the words of a qualified New Optimist, Lord John Browne, the CEO of BP) practiced by some environmental and economic development groups.

In other words, Professor Lomborg asserts, we need to change the terms of public debate by getting away from emotive horror stories in the news and moving toward economics. Why economics? “Because,” he declares, “it is the clearest, most unidirectional indicator of human behavior.” If we are all moral and rational, Professor Lomborg’s big-tent thinking goes, there is no reason we can’t channel limited resources to do the most good for the most people.

Professor Lomborg called his economic octet the “dream team,” each member of which was paid $30,000 for the weeklong deliberations. The team was Bruno Frey of the University of Zurich, Tom Schelling of the University of Maryland, Nancy Stokey of the University of Chicago, Jagdish Bhagwati of Columbia University, Justin Yifu Lin of Peking University, and three Nobel Prize winners in economics: Vernon L. Smith of George Mason University, Robert Fogel of the University of Chicago, and Douglass North of Washington University. As one might expect, bringing this talented team to a consensus was an arduous process. “It’s a crazy enterprise, but the alternative is doing nothing,” commented Mr. Frey. “And that’s even more crazy.”

The beginning was nagged by questions of methodology. Professor Lomborg had sought economists to drive what would normally be thought of as political consensus. But when his dream team tried to develop its list of global challenges some months before the gathering in Copenhagen, many of them came to the table with personal preferences. Several wanted to put equal rights for women on the list. However, they refrained because, in the words of Nancy Stokey, “we just don’t have a handle on how to solve that kind of problem with a distribution of funds.”

By late May 2004, when the team assembled in Copenhagen, the consensus process was running more smoothly. Each economist was asked to write and present a paper on a specific global societal challenge. (Assignments were based on their specialization in a particular field.) Two other specialists then critiqued the commissioned paper, and the other economists were then encouraged to cross-examine all three experts. The experts in total discussed 38 possible solutions to 10 of the world’s greatest problems. The information available about some of the proposals was too slight to allow a judgment, so ultimately the team ranked just 17 of the solutions, in descending order of desirability. They subdivided the list with categories of “very good,” “good,” “fair,” and “bad.” (See “Seventeen Solutions to Global Challenges,” page 6.)

The Copenhagen event was stamped with the Lomborg brand: casual but sleek; skeptical but earnest. Professor Lomborg organized and spoke at press conferences daily to comment on the outcomes of the day, and the press came solely because of him. In an odd little display of vanity, his autograph and picture were on the covers of the otherwise sober introductory essays about the pestilential miseries the group hoped to address, if not redress.

Although economics is a considerably more catholic
undertaking than its detractors give it credit for, the attempt to order the world’s priorities seemed to have a natural bias toward the quantifiable. Communicable disease such as HIV/AIDS ranked higher than inadequate education; this was at least in part because the problems and solutions had numbers attached. “In sum,” the economists might say, “such-and-such a solution will give a cost/benefit ratio of 4:18.”

The competence of the governments of individual nation-states also strongly affected the economists’ rankings. Most of the economists felt that well-funded and well-managed government programs, especially in health care, ultimately are essential to dealing with these enormous social problems. “To me, the most pressing question is governance,” Professor Stokey said. “But it’s not clear to me how we, as economists, quantify or improve on problems of governance.”

After a week in a conference room shadowed by the golden spiral spire of Vor Frelser church (the very spire the scientists in Jules Verne’s Journey to the Center of the Earth scaled to accustom themselves to the rigors of their planned expedition), the economists reached their consensus. More than half their theoretical bonanza — $27 billion — would go to tackling HIV/AIDS, and preventing about 28 million cases by 2010, they said. Malnutrition was number two: A further $12 billion would be spent on distributing vitamin A, iron, iodine, and zinc supplements in developing countries. The remaining $11 billion would be parcelled out to address trade, migration, other diseases, and water and sanitation issues. Climate change took the three bottom slots on the final list of 17 solutions.

“I believe we need to address climate change, but not with the urgency [with which] we need to address HIV/AIDS,” said Professor Fogel, one of the trio of Nobel laureates. To have the team members actually reach agreement on priorities like this was exactly what Professor Lomborg hoped for most. Even more than having the judgments pronounced, Professor Lomborg wanted the consensus-building process to work. “Perhaps the most useful part of the process is that it forces assumptions out into the open through a competition of ideas,” he says.

**Simon Says**

Professor Lomborg’s office behind the Norreport metro station is pure middle-rent Scandinavia. Hot dog and licorice wrappers swirl bright about the glass frontage. There is a utilitarian elevator, a bland corridor, and a corner office with a view to the Muslim halal butchers down on Frederiksborg Street.

It is a casual workplace: not many gadgets, not many certificates. Books line one wall, newspapers and magazines are messily piled high on the desk. Near the top of the pile is a large orientation file for guests of the annual Fortune magazine powwow at the Aspen Institute.

At a meeting in his office, Bjorn Lomborg says with boyish enthusiasm, “I met Bill Clinton in Aspen last year. I wanted him to come to the Copenhagen Consensus. The prime minister of Denmark even invited him. I guess we were too late. Still,” he adds, in perfect, American-accented English, “they’re [The Aspen Institute] putting HIV/AIDS at the top of their agenda because of the Copenhagen Consensus.”

The project began in 1997. According to Professor Lomborg’s burnished telling of the tale, he read a piece in Wired magazine in which Julian Simon, an economist at the University of Maryland — a sort of John the Baptist of the New Optimism — lambasted the environmental movement as replete with cranks and frauds. Seventeen years earlier, Professor Simon had made a $10,000 bet, wagering that the price of any given raw material chosen by his opponents would go down over a 10-year period, reflecting abundance, not the scarcity the doomsayers were prophesying. Several professors at Stanford University took him up on it — and lost. By 1990, the price of most raw materials, including phosphates, tin, chromium, and petroleum, had dropped.

Professor Lomborg challenged his graduate students at Aarhus University to debunk Professor Simon (who died in 1998). After long nights of eating pizzas and taking breaks from their work with sessions on Sony
PlayStation, the students started getting odd results, and then more and more surprises across the board. On most counts, the statistics still bore out Professor Simon’s thesis: The state of the world was vectored toward prosperity, not oblivion.

Professor Lomborg first published his findings in the center-left Danish newspaper *Politiken*, and later elucidated them in a Danish-language precursor to *The Skeptical Environmentalist*. The executive editor at *Politiken*, Toger Seidenfaden, exclaimed that Professor Lomborg, using common facts, had written something to change forever readers’ views of the state of the world.

Although the environmental contrarianism in *The Skeptical Environmentalist* found some admirers in the financial media and among right-wing policy think tanks, many scientists criticized its preference for generalizations over specifics. *Scientific American* printed a long editorial picking apart the book and Professor Lomborg. “Even where his surgical analyses are valid,” the magazine stated, “his interpretations are frequently off the mark — literally not seeing the state of the forests for the number of trees.” For example, Professor Lomborg gave the same ecological weight to the biologically bland Siberian taiga as he did to the biologically rich, and more endangered, Amazon, *Scientific American* said (a charge he strenuously denies).

Some of the attacks were even physical. Professor Lomborg was nailed in the face with a “baked Alaska” pie at a bookshop in Oxford while he was promoting *The Skeptical Environmentalist*. The perpetrator, an informed activist on climate change, said he wanted to put the pie in Professor Lomborg’s “smug face” out of sympathy with Inuit across the Arctic suffering the effects of global warming. Several Web sites were set up to counter the claims in the book. (See www.mylinkspage.com/lomborg.html.)

Back in Denmark, Professor Lomborg was charged with and found guilty of “objective dishonesty” by an obscure academic panel called the Danish Committee on Scientific Dishonesty. That finding bitterly split Danish academia. Hundreds of academics spoke up in Professor Lomborg’s defense, including scientists, economists, and business professors. A subsequent government investigation vindicated Professor Lomborg, finding him innocent of all charges and free to continue his academic career.

“I think one has to consider whether it was necessary to be so forceful if I was so obviously wrong.”

---

### Seventeen Solutions to Global Challenges

Here’s how the Copenhagen Consensus economists rank 17 solutions to some of the biggest global challenges. The list is the team’s answer to the question, “What would be the best ways of advancing global welfare, and particularly the welfare of developing countries, supposing that an additional $50 billion of resources were at governments’ disposal?”

<table>
<thead>
<tr>
<th>Very Good Projects</th>
<th>Good Projects</th>
<th>Fair Projects</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Diseases: Controlling malaria</td>
<td>8. Water and Sanitation: Improving research on irrigation and water use</td>
<td>13. Diseases: Scaling up and improving the quality of basic health services</td>
<td></td>
</tr>
<tr>
<td>16. Climate: Fully implementing the Kyoto Protocol</td>
<td>17. Climate: Establishing a carbon tax based on value at risk</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Professor Lomborg says of the controversy. “But the pie sure tasted good.”

**Kyoto Conflict**

In no small part, the anger his work generated stemmed from the perception that Professor Lomborg was providing ammunition to opponents of the Kyoto Protocol, about which Europeans, more than Americans, have strong views. The Kyoto Protocol is an agreement to control global warming reached by the United Nations Conference on Climate Change in Kyoto, Japan, in 1997, in which major industrial nations pledged to reduce their emissions of greenhouse gases. The U.S. Senate has refused to ratify the treaty, and President George W. Bush strenuously opposes it.

President Bush considers Kyoto bad for America. But Professor Lomborg thinks it bad for the world. He estimates the cost of the climate change accord at $150 billion to $300 billion annually, most of that coming from a burden imposed on business. With that kind of money, he argues, clean water and sanitation could be provided to the entire developing world. “I hate to see people’s good intentions being pushed into something that will do so little good,” he says. Although he claims to have been astonished at how swiftly the Copenhagen Consensus economists relegated climate change to the bottom of the list of priorities, he continues to believe the decision was sound. “Kyoto will only make the developed world feel better.”

Which is not to say Professor Lomborg is a fan of Washington’s position. If the Bush administration does not think Kyoto is a good deal, he says, then it should be spending that money on something it thinks is a good deal. “Prioritization is about doing something,” Professor Lomborg says. “It’s not about an excuse for inaction.”

The passions unleashed by *The Skeptical Environmentalist*, and more recently by the Copenhagen Consensus, speak to the degree of emotion inherent in the subject. In trying to bleed sentiment from public issues, Professor Lomborg is following in the footsteps of the man he says was his true intellectual hero, Aaron Wildavsky.

Professor Wildavsky, who died in 1993, was one of the foremost political and policy thinkers of his generation. His 1964 book, *Presidential Elections*, written with Nelson W. Polsby and now in its 11th edition, remains among the most penetrating studies of the American
electoral process. Toward the end of his life, Professor Wildavsky, who taught at the University of California at Berkeley, turned to a version of the New Optimism. “Global warming,” he wrote, letting off both barrels at the alarmists, “is the mother of all environmental scares.” He was contemptuous of the ability of scientists to reach true consensus on the risks associated with climate change.

An understanding of risk, and more particularly of risk perception, was central to Professor Wildavsky’s work. Emotion played too large a role in it, he believed. In his book But Is It True? A Citizen’s Guide to Environmental Health and Safety Issues (Harvard University Press, 1995), Professor Wildavsky cites the 1959 cranberry scare in the United States as an example of how easily emotion can lead people astray. In the weeks leading up to Thanksgiving that year, the country was rocked by a report that some cranberries from western states were supposedly contaminated with the weed killer aminotriazole. Cranberry sales collapsed. The climb back to credibility for cranberry farmers was slow — even though the link was hardly proved. The point, he said, laying out what has become a guiding statement for Professor Lomborg, is that science plus emotion does not equal fact. Equally important, Professor Wildavsky believed, science plus emotion plus consensus does not equal fact, either.

“The most powerful factors in how people perceive risk,” Professor Wildavsky wrote in his essay “Riskless Society,” “apparently are ‘trust in institutions’ and ‘self-rated liberal and conservative identification.’” According to the professor, left-leaning individuals are more likely to perceive true risk as potential injustice and perceive technology as exploitative, harming the poor and nature, while those who lean to the right are more likely to perceive true risk as opportunity and perceive technology as a solution.

Maverick Socialist
His respect for Professor Wildavsky notwithstanding, Professor Lomborg confounds the stereotype. He is a socialist who still believes in a strong welfare state; the purpose of the state, he thinks, is to push an otherwise free market in directions where the citizenry wants it to go. On the American political scale, he might be a maverick voice toward the hard left of the Democratic party. “It is probably impossible to grow up Danish and not believe in socialized medicine and education,” he says.

Professor Lomborg’s optimism, and his belief in the power of government in managing social challenges, are tempered by a lack of faith in the dynamism of industry. In estimating the potential cost of the Kyoto accord, he fails to account for the possibility that improved technologies might slash the cost of emissions reduction. He also largely ignores the possibility that the costs themselves might actually be investments that translate into business opportunities that also reduce the stress industrial pollution imposes on the earth. This future has been seen and described by the leaders of some of the world’s largest energy companies, notably BP’s Lord Browne.

In the July/August 2004 issue of Foreign Affairs, Lord Browne presented detailed arguments for accelerating industrial action to thwart climate change. To bolster his case, he pointed out that BP, a company richer and more powerful than many developing countries, decided that within 10 years, it would cut its own carbon emissions by 10 percent of 1990 levels. The company achieved the goal in three years, and by its own reckoning, counterintuitively posted a $650 million gain, largely because the emissions cuts also got rid of many inefficiencies in production.

As Lord Browne wrote, “The appropriate response to the faltering Kyoto Protocol is neither dismay nor fatalism.” We need to push ahead without damaging economic growth, he said, until improved technology and science, combined with market mechanisms, can allow for a more aggressive approach to environmental protection. He pointed out that the costs of oil and gas exploration have fallen by a factor of three in the last 15 years thanks to improvements in drilling technology. Lord Browne sees further advances in fuels and engines. A switch to natural gas–fired power stations, a doubling
of fuel efficiency of cars, and a thousandfold increase in solar power wattage in sunnier parts of the globe, he thinks, could go a long way toward stabilizing carbon emissions at 500 parts per million (up from roughly 280 ppm in the 19th century and 370 ppm today).

BP is not the only global oil company that sees beyond petroleum. The Royal Dutch/Shell Group of Companies, recovering from the negative headlines of 2004 regarding misstatements of its oil reserves, also is beginning to promote work it’s doing on hydrogen-based fuel technologies.

Professor Lomborg welcomes BP’s and any other company’s “win-winism,” but he is always suspicious — whether the issue is the environment, education, or anything else — of the notion that enterprises today somehow have a special corporate responsibility to manage societal problems that he believes government should handle.

“Denmark, not Sony, should be deciding how best to run a kindergarten,” Professor Lomborg says firmly. He believes that the job of a company is to make money. The job of the state is to use regulation to reduce the negative impact of manufacturing — for example, when industry harms the environment. Indeed, it is difficult to avoid the conclusion that the world Professor Lomborg would most welcome would look a lot like a more efficiently run Denmark.

Global Conscience

It is striking how at ease Professor Lomborg still is in Denmark, given the vitriol that has been leveled at him. He is, he finds himself surprised to say, a patriot.

“My cell phone has been publicly listed through all this controversy,” he says. “No one has called, except a couple of kids attending the Roskilde rock festival, as a prank. Everyone has an opinion, but they know where to draw the line between public and private life. Danes are good at living a good life. We seem to care for each other just the right amount. We’re not too nosy, but we don’t alienate each other, either.”

Anders Fogh Rasmussen, the Danish prime minister, has slashed environmental and economic development spending since coming into office and is an enthusiast of the Copenhagen Consensus and a big supporter of Professor Lomborg. He thinks setting priorities in the fiscally minded, consensus-based manner Professor Lomborg espouses could be particularly helpful to politicians and executives forced to make either/or decisions on a thin envelope of knowledge. “I’d like to take the idea to Brussels and Washington,” the prime minister says. “Lomborg is controversial here; he challenges traditional Danish attitudes. But I admire his efforts.”

Some of Professor Lomborg’s opponents so strongly disagreed with the rationale of the Copenhagen Consensus (they thought it overly clinical and fiscal) that they organized an alternative conference called Global Conscience, also held in Denmark in May 2004. The conference took place in the chambers of the Danish parliament, under the blessing of the country’s foreign minister, Per Stig Moller. The point of the gathering was as simple as Professor Lomborg’s, but not as obviously useful: applying human capital, not just financial capital, to solving environmental and development problems.

Klaus Toepfer, the head of the United Nations Environmental Program (UNEP), a former minister in a conservative German government and Germany’s delegate to the Rio de Janeiro summit on environment and development, addressed both the Copenhagen Consensus and Global Conscience. His sympathies were clearly with the latter.

“Beggar my neighbor — yes, this is the attitude of the developed world,” he says, almost spitting out the words. “The Cold War peace dividend has been squandered. Aid from north to south has collapsed. Military spending is increasing again.” Cost/benefit analysis is of no help unless one identifies who is responsible for the costs. Mr. Toepfer is careful to refrain from bashing Professor Lomborg personally, but thinks that any consideration of problems must also factor in spiritual and cultural values.

Professor Lomborg tenses at the mention of such things. “Prioritization is unabashedly secular. If economics and social science have something to tell us, here it is.”

Christian Ege, one of the organizers of Global Conscience, argues that the New Optimist idea of priority setting is falsely constructed. Too much money is already off limits. “They talk about a theoretical $50 billion, but there is much more money available,” he says. “Rich countries spend $300 billion on agricultural subsidies each year and $1 trillion on arms.” He also criticizes the Consensus’s efforts to monetize everything. “You may not be able to put a monetary worth on the worm,” Mr. Ege sighs. “It’s all so anthropocentric.”

That’s because it is so anthropocentric, argues Professor Lomborg. “I’m just being more straightforward in my anthropocentrism,” he says. “I’m a vege-
tarian. I don’t eat meat because I don’t want to kill animals. I campaign for animal rights. But I would rather kill a cow than a human being. People are the ones who decide. We don’t give votes, as they say, to penguins and pine trees. If we care more about the tiger than the cow, it’s us making the decision, not the tiger, and certainly not the cow.”

Professor Lomborg does, however, have a few champions among the greens, including Patrick Moore, a founder of Greenpeace, who left the activist group to pursue what he calls a more pragmatic approach to environmental issues. “Science and logic have been abandoned and the movement is often used to promote other causes such as class struggle and anticorporatism,” Dr. Moore says.

In this atmosphere of occasionally frenzied unreason, Professor Lomborg’s New Optimism is a breath of fresh air, forcing ideological greens to respond with greater clarity. Dr. Moore has pulled out a Julian Simon bet of his own. He claims that arguments that 50,000 species are lost each year to human activity are nonsense. “Name one, is my bet. So far none have come forward.”

Five Big Ideas

The next Copenhagen Consensus will not take place until 2008, perhaps with Bill Clinton in the chair. Until then, Professor Lomborg will continue to push the European Union to get economists together to set priorities on where Brussels should be spending its euros.

He also believes the underlying Copenhagen Consensus concept and process have direct applicability to the private sector. A company like Maersk (with 60,000 employees, several hundred vessels, and the running of harbors worldwide) might assemble a team of economists for several days during which they would set priorities according to the company’s challenges.

Although the verdict on the first Copenhagen Consensus is still out — and will likely be out for decades to come — its participants, while properly skeptical, remain supportive. “Clearly, Lomborg is an opportunist,” says the 79-year-old Nobel laureate Robert Fogel. “But I haven’t much time left in life. I wouldn’t have gone to Copenhagen if I didn’t think his idea was worthwhile.”

Resources


Bjorn Lomborg, The Skeptical Environmentalist (Cambridge University Press, 2001)

Bjorn Lomborg’s Web site: www.lomborg.com

Patrick Moore’s Web site: www.greenspirit.com

Copenhagen Consensus’s Web site: www.copenhagenconsensus.com

Anti-Lomborg Web site: www.mylinkspage.com/lomborg.html