Net Zero is a bad deal for Japan

Right now, thousands of diplomats, bureaucrats and campaigners are meeting in Türkiye yet again for the 31st United Nations climate summit. The demand will be the one made repeatedly at previous conferences: net zero by 2050. What nobody will say is what that costs, or what it buys. That is odd, because the UN already owns the tools to find out. Yet, in 30 summits, nobody has used them to ask whether the policy pays. So I have.

I built NetZeroCostBenefit.com that lets anyone see what Japan, or any other country or group of countries, would achieve by reaching net zero in 2050, what it would cost, and what the climate benefit would be worth. None of the inputs are mine: The climate model, MAGICC, is used throughout the UN's own climate reports and can translate any country's promised emissions cuts into lower temperatures by 2100. The costs come from the UN's own surveys of economic models, and the damage estimates from the two most recent syntheses of the economics of warming. Anyone can check the arithmetic, though few delegates in Antalya will want to.

For its latest report and updates, the climate panel gathered nearly a thousand model estimates of what climate policy costs. Almost none of them get anywhere near net zero by 2050, because it is so hard and costly. Only three models reach net zero starting from today's actual emissions, rather than assuming cuts that began years ago. They find that global net zero would cost between 3% and 19% of global GDP in 2050, because expensive energy throttles growth. My website uses the middle one, estimating a loss of 7.2% of GDP in 2050, measured from current policies.

The benefits come from the two most recent syntheses of the damage from warming, by one of the most quoted climate economists, Richard Tol, and the other by William Nordhaus, the only climate economist to win the Nobel prize in economics. Given the warming the UN model projects under current policies, they find that climate change will cost the world 1.8% to 2.8% of GDP by 2100. That is a real loss, but nowhere near the catastrophes bandied about. It is also a lot less than a 7.2% loss of GDP, and a lot further away. Moreover, net zero only avoids part of the damage.

Nor does one country's effort buy much. If Japan reaches net zero in 2050 and stays there, the UN model says global temperature in 2100 would be 0.00832°C lower. Nobody would notice. Yet, Japanese readers would certainly notice the cost: by 2045 the annual cost would be ¥21.4 trillion a year. Over the century the cost adds up to ¥297 trillion in today's money. The global climate benefit adds up to just ¥26.3 trillion. The Japanese sacrifice delivers nine sen of benefits for every yen spent.

Some will object that no country should look at its own numbers this way, because if everyone notices large costs but tiny benefits, nothing will get done.

But a global deal that only works if nobody checks the numbers is not much of a deal. And the math doesn't improve by pooling: the website shows that each end up doing much less good for the world than what they put in.

Indeed, when you look at the whole world, global net zero by 2050 would avoid $24 trillion in climate damage this century but cost $255 trillion, both in today's money. Nine cents on the dollar.

The problem isn't that countries act alone. It's that the policy itself costs more than it delivers.

Fossil fuels remain cheap and plentiful, despite price fluctuations. It is little wonder that fossil fuels still supply more than four-fifths of global energy, and emissions rose again last year. At the pace of the past half-century, they won't be gone by 2050. They'll be gone a millennium later, in 2997.

There are much better buys, although most won't be on the climate agenda at COP31. The summit president has already made the August glacier flood in Nepal, which killed more than 1,400 people, his exhibit A: "If we want to understand the consequences of climate change, we need only look at Nepal." Yet nothing agreed in Antalya will make the next flood measurably smaller. Early-warning systems and sturdier bridges would save far more Nepalese lives, far sooner, for far less money. Lifting people out of poverty, in Nepal and around the world, will make everyone less climate vulnerable and do far more good. None of these solutions costs anywhere near $255 trillion.

It doesn’t mean that climate change is harmless. But it means that net zero by 2050 is an egregiously bad buy. Across 30 climate summits, delegates have ignored that reality. Now anyone can run the numbers.

Bjorn Lomborg is President of the Copenhagen Consensus, Visiting Fellow at Stanford University's Hoover Institution, and author of "False Alarm" and "Best Things First".