



## What to Do to Save the World

By James K. Glassman

*When a group of nine of the world's leading economists recently recommended spending priorities for addressing global challenges, they ranked the fight against HIV/AIDS and the promotion of free trade far above strategies to alleviate global warming, thereby paralleling President George W. Bush's priorities for international aid.*

For the leaders of the world's richest countries, meeting this week at the G8 Summit in Sea Island, Georgia, there is no more important question than, "What should come first?" At last, we have the answer.

### Global Spending Priorities

Earlier this year, a panel of nine of the world's most distinguished economists set about deciding where—beyond short-term efforts to fight terrorism—developed nations should put their money to make the world a better place. Where can we get the most bang for the buck (or the euro, the pound, or the yen)? Now the results are in. Ranked at the top of the panel's list as "very good" and "good" projects are programs to fight disease, clean up water supplies, liberalize trade, and encourage entrepreneurship.

At the bottom of the list, rated as "bad" uses of public funds, are programs to combat possible climate change, including the Kyoto Protocol.

The results are a ringing endorsement of the priorities of President Bush, who committed \$15 billion to battle AIDS, malaria, and tuberculosis, and rejected Kyoto as "fatally flawed." The findings are a reproach to many European leaders and to left-wing environmentalists, health

activists, and anti-globalists, whose sloganeering has dominated much of the discussion of global welfare issues. This report—sober, nonpartisan, and compassionate—with an emphasis on sound science and economic cost-benefit analysis—makes the noisy radicals look foolish.

As far as I can tell, policymakers have never established a priority ranking for solutions to world problems. But earlier this year, the Environmental Assessment Institute of Denmark, headed by statistician Bjorn Lomborg (author of *The Skeptical Environmentalist*), and *The Economist* magazine, based in London, decided to try, picking nine economists and backing them up with academic papers by experts from around the world.

The nine economists included four Nobel Prize winners: Robert Fogel, James Heckman, Douglass North, and Vernon Smith. The other five, writes *The Economist*, "can expect to pick up a few more Nobels between them in due course": Nancy Stokey, Thomas Schelling, Jagdish Bhagwati, Bruno Frey, and Justin Yifu Lin.

The panel, which calls itself the Copenhagen Consensus, issued its list of priorities last week, but, in the crush of news over Iraq and the death of former President Ronald Reagan, hardly anyone reported it. That is a shame.

The top priority is control of HIV/AIDS. By spending \$27 billion, rich countries can avert

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30 million infections, mainly in Africa and Asia, over the next six years. “Costs are small in relation to what stands to be gained,” says the report (available at [www.copenhagenconsensus.com](http://www.copenhagenconsensus.com)).

A paper for the Copenhagen Consensus by Anne Mills and Sam Shillcutt of the London School of Hygiene and Tropical Medicine points out that a program to prevent HIV in Thailand achieved a ratio of benefits to costs of 15 to 1—“a figure,” according to *The Economist*, “that governments could scarcely dream of achieving for typical public-investment projects in other economic sectors.”

Ranking second is a more unusual project—“reducing the prevalence of iron-deficiency anemia by means of food supplements,” at an estimated cost of \$12 billion. Third is the promotion of free trade, which “was agreed to yield exceptionally large benefits.” Fourth is control of malaria, a disease that afflicts 300 million people and causes 2.7 million deaths annually.

Of the top ten priorities, seven are related to health, and three of those concerned lack of safe and affordable access to water and sanitation.

## Climate Change Ranks Low

Just as important, of the seventeen proposals that were ranked by the Copenhagen Consensus, the three that came in last involved climate change. The still-unratified 1997 Kyoto Protocol, which seeks to thwart global warming by requiring the reduction of human-caused emissions of carbon dioxide, finished sixteenth.

The list, in my view, is correct in almost every detail. It will drive radical environmentalists nuts.

On climate change, the panel offered Kyoto every possible break, and it still flopped. The backup paper used assumptions that were absurdly generous to backers of the treaty, including a low discount rate and questionable projections of dire temperature increases. The Copenhagen Consensus concluded that Kyoto and two other popular carbon-abatement programs had “costs . . . that were likely to exceed the benefits.”

The Copenhagen Consensus report should be required reading for the eight world leaders gathered this week in Georgia. It is time for the Europeans in particular to admit that, on the critical question of global welfare, Bush has got it right.