

The greener the better? Not always

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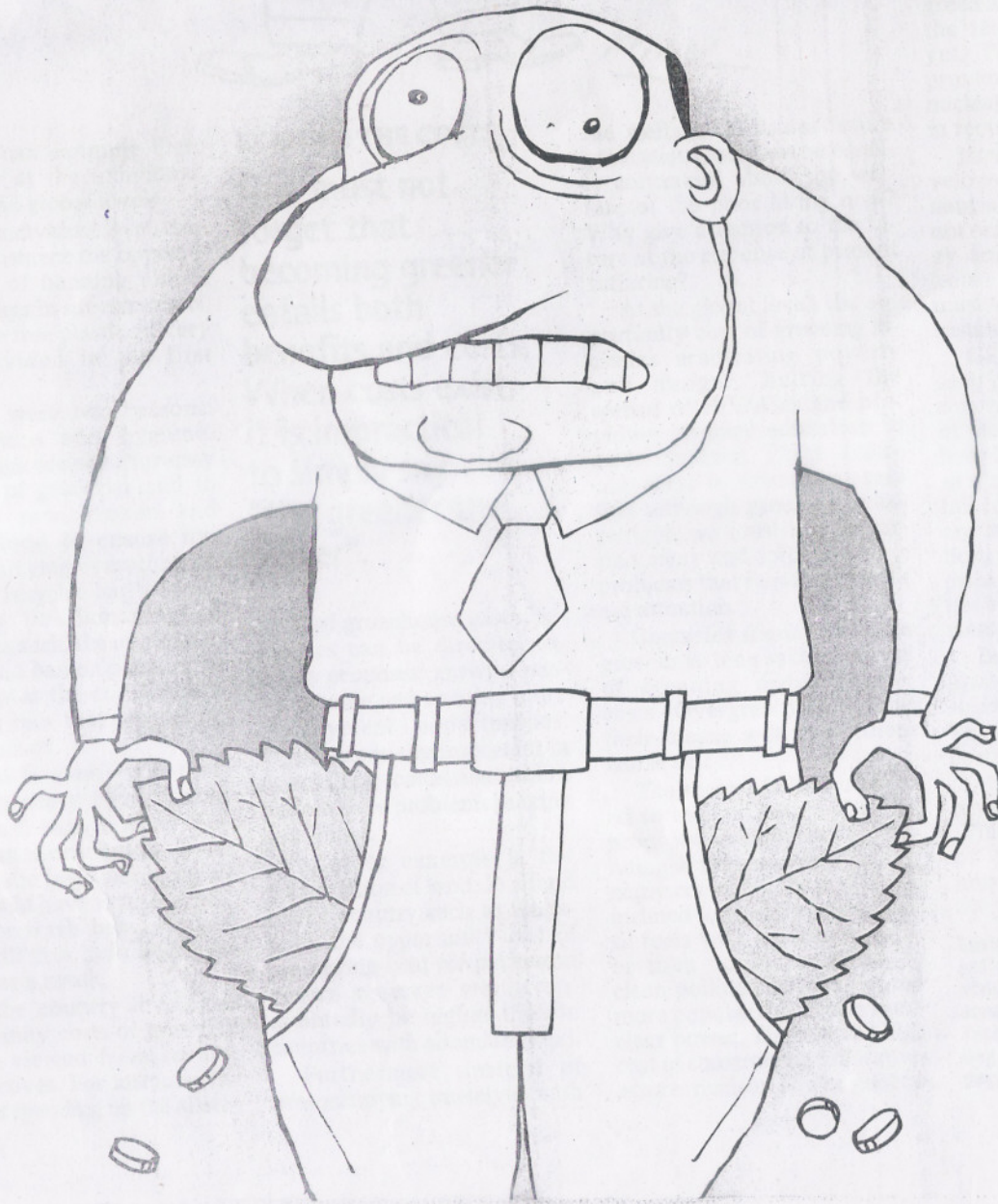
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GLOBAL warming is more often than not nowadays the alleged villain in almost every episode of natural disaster that occurs around the world. Scientists have confirmed that global warming (and its impact) is not fictitious and it is now largely an undisputed fact that the world will soon become unsustainable if the phenomenon continues.

The establishment of such a scientific fact has inevitably spawned green movements worldwide. There is talk of worldwide carbon emissions cuts; carbon trading has been introduced in the European Union; countries have begun to ban if not charge for plastic grocery bags in supermarkets; hybrid cars have begun to appear on roads; there have many movies about nature taking revenge on man.

There is even propaganda urging people to eat less beef as emissions from fertilisers, animals and farm equipment account for 20 per cent of global warming gases. Cows alone are responsible for 75 per cent of the methane (25 times better at trapping heat than carbon dioxide) produced by all farm animals.

Should we all jump on the green bandwagon? It is not a question of whether we should be greener. We should indeed be greener. But how green do we want to be and at what pace?



tion is cheap and does not produce carbon dioxide. As a result, more and more countries are exploring the possibility of constructing nuclear power stations.

However, we should note that uranium mining, enrichment and transportation – as well as the construction and maintenance of nuclear power plants – emit a significant amount of greenhouse gases. Whether nuclear power is cleaner than other renewables or fossil fuel remains an open question.

There is more. Spent fuel or radioactive waste poses an immense threat to public health and safety. Accidents at nuclear power stations also pose significant risks of severe environmental contamination. As a result, land surrounding nuclear power stations is usually under-utilised. Countries should not rush into building nuclear plants as a response to external or internal green pressure.

Other examples are paper recycling and metal recycling as well as the use of biofuels. Toxic chemicals, which may contaminate the environment, are used in the recycling of some goods. Increased use of biofuels has resulted in higher food prices. In addition, deforestation will worsen as land is cleared to plant cash crops. This in turn contributes to global warming. What we really need, on this front, as well as others, are solutions that make greening sustainable.

Although the proposed eth-

what pace?

Before we can answer that question, we must first realise that there are several fallacies in what passes for the green agenda. These fallacies are potential impediments to our search for optimal solutions to the global warming problem.

The first fallacy is: Countries should reduce greenhouse gases to zero. But one must not forget that becoming greener entails both benefits and costs. When costs exist, it is impractical to simply say "the greener the better". The optimal level of greenhouse gases should be determined by weighing the benefits and costs associated with different levels of greenhouse gases.

The costs of greening not only include the accounting costs of reducing greenhouse gases in the air but also the opportunity and social costs associated with diverting resources to greening.

Accounting costs are direct costs that are incurred in the process of greening – such as the costs of fitting catalytic converters in vehicles and power stations and the higher policing or monitoring costs that must be incurred to ensure the enforcement of new regulations. It is important to note that it gets increasingly more expensive to reduce additional units of greenhouse gases as the levels of greenhouse gases decrease. Calls from environmental groups to cut greenhouse gases to zero are therefore not only naive but also inefficient.

In terms of opportunity

costs, we can examine them separately at the individual, country and global levels.

At the individual level, consider for instance the opportunity cost of banning plastic grocery bags in supermarkets. Why were free plastic grocery bags provided in the first place?

There were two reasons: convenience and hygiene. Plastic bags are used for easy carrying of groceries and to separate raw, frozen and cooked food to ensure hygiene. Carrying everything in the same recycled bag may potentially be damaging to health. As such, the opportunity cost of a ban on plastic grocery bags is the convenience and hygiene that would be compromised.

But it is more than that. Plastic grocery bags double up as trash bags in many Singaporean households. Banning plastic bags would mean they would have to find substitutes for trash bags. Households will thus incur additional cost as a result.

At the country level, the opportunity costs of greening can be viewed from several perspectives. For instance, instead of spending on the abate-

EXAMINE THE COSTS

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ment of greenhouse gases, resources can be directed towards economic growth, raising income and creating more employment opportunities. This is especially important in developing countries where people have problems making ends meet.

Another example is the preservation of land. In a land scarce country such as Singapore, the opportunity cost of preserving land for parks and nature reserves would undoubtedly be higher than in countries with abundant land.

Furthermore, instead of pre-occupying ourselves with

the welfare of distant future generations, why not be equally concerned about the welfare of the poor living now? Why give attention to the future at the expense of present suffering?

At the global level, the opportunity cost of greening includes eradicating poverty and hunger, halting the spread of HIV/Aids and providing primary education to poor children. These examples serve to remind us again that although greening is important, we must not be carried away and forget existing problems that require immediate attention.

Countries should try to be greener so long as the benefits of greening outweigh the costs. Overgreening beyond their means will make them worse off.

The second fallacy is related to the suitability of many proposed substitutes for polluting activities. For instance, many countries are now more inclined towards replacing fossil fuels with substitutes rather than adopt measures to clean polluted air. One of the more popular substitutes is nuclear power. Despite the high cost of constructing nuclear reactors, nuclear power genera-

Although the proposed substitutes are not free of greenhouse gases, that does not mean we can do nothing about global warming. The main reason why many alternative solutions are not as green as we might hope is that the technology is not there yet. There is room for improvement – for example, in nuclear power generation and in recycling processes.

However, technological developments need time and financial investment. We must not only seek alternative energy sources to lower greenhouse gases emissions, we must also invest in developing sustainable technologies.

Global warming is not an easy problem to deal with. It concerns all of us regardless of who we are and where we live. Proposed solutions such as a carbon tax to reflect the full cost of economic activities are steps in the right direction, as is the requirement to price intangibles or externalities as they affect the environment.

But countries should be allowed to go green at a pace desired by their own citizens. They would understand the costs and benefits of various proposed measures as they apply to their own societies. While we fear for the safety of future generations, we must not forget the needs of the present generation.

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