

Economic realities: climate change

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This is by [Martin Wolf in the FT this morning](#):

Last week the concentration of carbon dioxide in the atmosphere was [reported to have passed 400 parts per million](#) for the first time in 4.5m years. It is also continuing to rise at a rate of about 2 parts per million every year. On the present course, it could be 800 parts per million by the end of the century. Thus, all the discussions of mitigating the risks of catastrophic [climate change](#) have turned out to be empty words.

Collectively, humanity has yawned and decided to let the dangers mount. Professor Sir Brian Hoskins, director of the Grantham Institute for Climate Change at Imperial College in London, notes that when the concentrations were last this high, “the world was warmer on average by three or four degrees Celsius than it is today. There was no permanent ice sheet on Greenland, sea levels were much higher, and the world was a very different place, although not all of these differences may be directly related to CO2 levels.”

This is an economic reality. We tackle climate change or we imperil life, if not in our own lifetimes then at the very least in those of our children and grandchildren.

The problem, as he notes though, is that this is a distant horror. And the reality of present over-consumption appeals more. So we go on, blindly. His analysis is to why that is the case is compelling.

As he suggests:

Most people believe today that a low-carbon economy would be one of universal privation. They will never accept such a situation. This is true both of the people of high-income countries, who want to retain what they have, and the people of the rest of the world, who want to enjoy what the people of high-income countries now have. A necessary, albeit not sufficient condition, then, is a politically sellable vision of a prosperous low-carbon economy. That is not what people now see. Substantial resources must be invested in the technologies that would credibly deliver such a future.

Yet that is not all. If such an opportunity does appear more credible, institutions must also be developed that can deliver it.

Neither the technological nor the institutional conditions exist at present. In their absence, there is no political will to do anything real about the process driving our experiment with the climate. Yes, there is talk and wringing of hands. But there is, predictably, no effective action. If that is to change, we must start by offering humanity a far better future. Fear of distant horror is not enough.

And yet that horror is already a wholly foreseeable, and nigh on certain, economic reality.