

A Glimpse of the Future

ONE of my favorite car trips in the United States heads east out of Los Angeles and runs through the windswept San Gorgonio Pass, gateway to the Mojave and Sonoran deserts. I'm a fan of the drive on Interstate 10 not only because it affords access to a dramatic desert landscape but also because the funnel-like pass at San Gorgonio prompts thoughts about the planet's energy future.

The pass—one of the windiest places in the United States—is home to the San Gorgonio Pass Wind Farm, an array of more than 4,000 turbines that harness wind to produce “clean”—non-fossil-fuel-based—energy. It's a stunning sight, and I always wonder, is this what a sustainable energy future looks like? Can thousands of turbines sprawled over the landscape be part of society's answer to a most pressing question: how to balance the massive need for energy to power economic growth and development while addressing our urgent need to sharply reduce carbon emissions, a chief contributor to climate change.

The question fuels intense debate—one that has become increasingly polarized and that frequently puts growth and sustainable energy in opposition. But are the two—growth and a more sustainable mix of energy sources—really enemies? Can a more benign mix of energy sources and technology bring power to the 1.3 billion people who don't have it?

These questions, along with December's UN climate summit in Paris, provided the inspiration for this issue of *F&D*.

The answers are complex but reassuring. Nicholas Stern of the London School of Economics argues that the twin challenges of fighting poverty and climate change are not mutually exclusive. And the International Labour Organization's Peter Poschen says we need not choose between green and jobs.

Continuing with the energy theme, IMF economist Ian Parry looks at the practical problems of setting a price for carbon that reflects its true costs. And *F&D* analyzes the four major declines in oil prices in the past 30 years and finds an eerie similarity today to the prolonged slump that began in 1986.

On other topics, Paul Collier and coauthors look at the costs of treating and preventing HIV/AIDS in Africa. This issue of *F&D* also examines the high penalty countries pay when they default on sovereign debt, skewering the conventional wisdom that the costs of default are minimal, and includes articles on the bad effect elections have on intelligent decision making about public investment, the increasingly common practice of offering citizenship “for sale,” and China's investment in Africa. And we profile economist Richard Layard, who says economics has strayed too far from its original purpose of promoting happiness and maximizing well-being.

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