

In the absence of global carbon pricing, how will the growing world economy decarbonize? We all hope that emissions per dollar of GNP will decline faster than GNP grows but how does this happen when explicit incentives to decarbonize aren't embraced? The magic of international trade offers one possibility. In [this recent Energy Policy paper](#), Aparna Sawhney and I argue that one quite optimistic trend is the major growth in exports of wind turbines and solar panels from India and China to the U.S. While environmentalists have often argued that international trade damages the environment (the pollution havens story), this is a case where international trade contributes to sustainability because good Western blueprints for renewables can be mass produced in China and India and exported back to final consumers. If the price per megawatt of "green power" declines enough, Dick Cheney will buy it! International trade lowers final consumer prices.