

Sir Douglas Robb Lectures 2010

A series of three lectures by Lord Nicholas Stern of Brentford

Managing the risks of climate change, overcoming world poverty and creating a new era of growth and prosperity: The challenges for global collaboration and rationality



Formerly Chief Economist of the World Bank, Lord Nicholas Stern is IG Patel Professor of Economics and Government and Chair of the Grantham Research Institute on Climate Change and the Environment at London School of Economics and Political Science. He was author of the influential Stern Review on climate change released in 2006.

8, 9, 10 September 2010, 7pm

In person in Auckland

Fisher & Paykel Appliances Auditorium,
Owen G Glenn Building,
12 Grafton Road, Auckland.

Evening parking available for \$5 in
lower levels of Owen G Glenn Building.

Live video link in Wellington

Pipitea Campus,
Victoria University of Wellington
Lecture theatre 1 (RHLT1),
Ground floor, Rutherford House,
23 Lambton Quay, Wellington.

**Numbers are limited at
both venues and you must
register to attend.**

Further information and registration
www.auckland.ac.nz/robb
0800 UNICONTED (0800 864 266)

Managing the risks of climate change, overcoming world poverty and creating a new era of growth and prosperity: The challenges for global collaboration and rationality

The two defining challenges of this century are managing climate change and overcoming world poverty. If we fail on one, we fail on the other. The risks of unmanaged climate change are immense: it could transform our planet and force billions to move, create prolonged and severe conflict and reverse development for us all, rich and poor. An attempt to manage climate change which appears to impede development will not command the agreement necessary for global action. But good policies and international collaboration can and must tackle these two challenges together. High-carbon growth will kill itself. Low-carbon growth offers not only the innovation, creativity and dynamics of the transition from current patterns but also, when established, a much more attractive way of producing and living: more secure, safe, clean, and bio-diverse. We can see the outlines of the path to follow, and its attractions. We can describe the policies that can promote action. The challenge to the world community is to show the rationality, foresight and ability to collaborate which are necessary to take the key decisions. The opportunities from prompt and decisive action are great; the dangers of delay are grave.

Some of the ideas in the series are set out in Lord Stern's recent book *A Safer Planet* (Bodley Head, 2009).

Lecture 1 Wednesday 8 September 7pm

Managing climate change and promoting development: Risks, scale and values

Any analysis of policy towards managing climate change must recognise first that the issues concern risk management and second that the risks are immense. Science cannot predict the exact consequences for our planet of different paths for emissions of greenhouse gases, but it does point clearly to the existence of risks of extraordinary magnitude. Unmanaged climate change risks increases in global temperatures in a century or so which have not been seen on this planet for at least 30 million years. Homo sapiens has been here for around 200,000 years. Such increases would transform where people could live, lead to the migration of hundreds of millions, probably billions, and thus likely imply conflict and the reversal of development. All too many discussions of climate change fail to recognise or take into account the scale of the risks. The science underlying the assessment of risks was developed in the 19th century and has been deepened over 200 years. It has stood the test of scrutiny, and has been reinforced by accumulating evidence.

An examination of the risks points clearly to strong targets for emissions reductions. The technologies and actions to implement the reductions, in which energy efficiency and low-carbon methods, and halting deforestation are central, are broadly understood and we will discover much more along the way. So too are the necessary economic policies. Convincing ourselves and others to act requires careful thought about the ethics of the role of future, in relation to current, generations.

Adaptation to climate change will be inevitable. We must plan for it now. Sound policy will involve the integration of adaptation, emissions reduction (mitigation) and development across the board. Many of the policies overlap and are mutually supportive.

Lecture 2

Thursday 9 September 7pm

Policies for low-carbon growth and development: Creating a new era of progress and prosperity

How can the targets for emissions reductions described in the first lecture be achieved? How can the new industrial/energy revolution of the low-carbon economy be promoted? The priority areas for action are energy efficiency, new lower-carbon technologies and halting deforestation. In cutting energy-related emissions, energy-efficiency measures of various kinds are likely to deliver about half of the reductions necessary.

The emission of greenhouse gases constitutes the greatest “externality” (the economic jargon for damage done to others in the process of producing and consuming) the world has seen. It is an enormous market failure. Here the task of policy is to make markets work well: carbon taxes, carbon trading and regulation/standards all have their role to play. We are learning from national and international trading and other schemes. But there are other key market failures which require policy. We learn from others (a positive externality) and here we have to learn quickly: this requires incentives for and rewards to discovery. Markets do not handle risk sufficiently well and new approaches may be risky. And many energy and other investments depend on good networks such as electricity grids and transport.

The promotion of the new industrial revolution requires an understanding of the process behind the previous five revolutions (we are still in the middle of the fifth – information/communication technology). This new revolution, however, depends crucially on active public policy (on greenhouse gases) in contrast to earlier revolutions.

Round the world the necessity for and attraction of low-carbon growth is being recognised but the argument has not yet had the broad acceptance and understanding required for action on scale. Increasing this understanding is key to establishing sound policy.

Lecture 3

Friday 10 September 7pm

Progress towards a global deal

To be built and sustained, a global agreement on climate change must be effective (deliver cuts in emissions on the necessary scale), be efficient (hold costs down) and be equitable (take account of circumstances, past, present and future). The lecture will examine the key elements of such a deal.

The international gathering of the UNFCCC in Copenhagen was in many ways disappointing and chaotic in its progress to establishing such a deal. And it generated acrimony and confusion. However, the Copenhagen Accord established a platform for progress, even though it looked

fragile at the time and omitted much that is important. Progress since then on emissions objectives, deforestation and on finance has been of real substance, although there is far to go.

The objectives for the next meeting in Cancun in Mexico at the end of November/early December this year should be to build a much stronger version of the political deal, embodied in the Copenhagen Accord. This will require much more effective preparation than for Copenhagen. Some of this preparation is moving forward. It will also require a smaller group than the 192 countries involved in the whole UNFCCC. The Mexican presidency of the next meeting is making progress here.

A strong political deal in Cancun is possible, but far from assured. It will require a stronger collaborative spirit and mutual understanding than we saw in Copenhagen. Such a political agreement could provide the basis for a treaty-like agreement at the end of 2011 in South Africa.

This lecture explores the civic (rather than commercial) implications of current trends in the online news environment. It concludes with some reflections on the implications of those trends for the ways in which we understand citizenship today.