

## Chapter 15: Conclusion

Let me just finish by expressing that I would like to be as optimistic as Jeff Sachs about the engineers and the politicians. Maybe I could be as optimistic about the engineers, but I am afraid I have good personal reasons not to be as optimistic about what politicians will do in the future about this problem. Jeff is betting that in three years' time we will have a post-Kyoto agreement that will contain a clear target for carbon emissions. Maybe we will have such an agreement but I'm not so sure that we will have the mechanisms to make it really enforceable. We may end up again with something full of hot air and no real commitments. And, you know, dear Jeff, that that has happened not only in this field but in various others you have been following closely, including official development assistance.

You seem to believe that a miracle is going to happen in the next US presidential election and that the world will start to change for the better. But the international political economy of this issue is extremely complicated. I think Scott Barrett is right when he says that among the global challenges, among the global public goods that are vulnerable in the 21st Century, climate probably is the most difficult to tackle. I'm not saying that climate change is the most important problem we have as humanity. I happen to believe that nuclear proliferation is a much more serious and threatening problem than climate change, and also that poverty in many regions of the world could be a more explosive problem than climate change. But I agree with Scott that among the international challenges we face, this is extremely complicated from a political perspective, and I simply don't see the political leadership starting to seriously address this question.

I don't know who is right, Nick Stern or the ramp-up or ramp-in guys, and I personally would settle for the most modest targets, or the lower carbon tax. But even to implement that, I think, is going to be very tough. So, let's see who is right. I think the real proof is going to be in the carbon tax or the caps that are actually adopted, if there is such a thing as a post-Kyoto agreement.

What can we do meanwhile? I think we need the research community to continue working on this and to react as our friends here on the panel have reacted with great

responsibility. I know that they have invested many days reading Nick Stern's report, doing further work with their own models, and now we are trying to entice the research community to get more involved in these questions. Maybe that's the only thing we can do, and be hopeful that the political community not only pays more attention but gets hands-on into doing something about this and the other huge global challenges that we face.

What I really want to do at the end is to thank profoundly Nick Stern for having made this trip to the United States and to congratulate him and his team for the wonderful work that they have done.

I should also recognize the British government for this initiative. Now I am waiting for the British government to put their money where their mouth is, and that will be terrific. I think that will be the kind of leadership that is needed.

Of course, I want to wish Nick a successful renewal of his academic career. We'll hope to see him back soon now in his new capacity as professor at the London School of Economics. And, of course, I want to thank our wonderful panel for their contributions, and I want to thank you all for having been here today.