



Rt Hon Douglas Alexander MP: “Climate Change and Global Social Justice”

Foreign Policy Centre Annual Lecture, Wednesday 6 February 2008

Thank you Stephen for that warm, kind, if not a little intimidating introduction. The Foreign Policy Centre has played an important role in progressive policy debates in the decade since it was founded by Robin Cook.

So it is an honour to be invited to give the Foreign Policy Centre's first annual lecture today. And it is wonderful to give this speech in such august academic surroundings. The LSE has of course been at the forefront of academic and political debates for decades - with many famous names gracing this very significant institution.

Just to take one of them – William Beveridge – was here now, I sense he might be turning his not inconsiderable intellect to the issue I want to discuss today.

For in this first annual lecture, I'd like to discuss a topic that I believe will dominate the agenda of these lectures on many occasions in the years ahead.

Last year witnessed certain key moments in the cause of tackling dangerous Climate Change. The beginning of the UN negotiations at Bali in November. The awarding of the Nobel Peace Prize to Al Gore and the IPCC. The recognition by the UN Security Council for the first time of the threat posed by climate change. And the Chinese Government's own report concluding that pollution cost China some £32 billion - more than 3 per cent of total economic output – in just a single year.

But I believe that 2008 is the year when these moments must be turned into momentum.

Why do we need urgent action on climate change? To safeguard our way of life? Because of our obligation to future generations?

I believe that alongside these two great motivations we must add a third. For climate change is a defining global social justice issue for our generation. If we do not take the necessary action, we risk condemning the world's poorest people to generations of poverty.

In this lecture I hope to explore two related issues. First that dangerous climate change – and more importantly our response to it – will define international development for years to come. And second, that our response makes the need for development all the more urgent. We must not allow the climate change debate to neglect – or even prevent – the right of developing countries to grow. Development and climate change, I will argue, are – and must be seen as – inextricably linked.

Climate impact on the poor

Over recent months, as International Development Secretary since last July I have met people who have shown me that connection in the clearest terms. In Garissa in northern Kenya last autumn, I visited a camp of 350 families living in grinding poverty, forced from their homes by flash floods. I met with local leaders who are trying to preserve the nomadic way of life traditional to so many of their people in that part of Kenya. One told me bluntly that climate change was one of the greatest threats they face.

He said that the seasons he remembered as a child have gone. That now when it rains there are floods, and when the sun shines there is drought. “Climate change”, he said, “hits us hardest.”



And then just before Christmas I met children in Bangladesh who were both survivors and victims of Cyclone Sidr. Their personal courage and resilience was remarkable. Though many had lost both parents, they were not only coping with tragedy, but seemed to have managed to sustain some sense of hope for their futures.

For some people the consequences of climate change are not a future threat as much as a lived reality. Last year the IPCC's report showed us that the science of climate change is now beyond any reasonable doubt. In 2006 the report produced by Nick Stern, of course now a professor here at this institution, showed us that the costs of tackling climate change will be only a fraction of the cost of 'business as usual'. Three months ago the UN's Human Development Report showed categorically that climate change is, and I quote: 'the defining human development issue of our generation'.

The IPCC and Stern also, however, reminded us that there remain high levels of uncertainty over the impact of climate change. Overall, it is likely of course to be very grave. By 2080, an extra 600 million people worldwide could be affected by malnutrition. An extra 400 million people could be exposed to malaria. And an extra 1.8 billion people could be living without enough water. But, and this is a point to which I will return later, how the effects are felt across different countries, and how those most affected can best respond are questions to which we need much better answers than we have at present.

Climate shocks may cause large scale migration – the Red Cross estimates that in 2001, for the first time, the number of environmental refugees was greater than the number of people fleeing war and conflict. By the middle of this century, there could be as many as 200 million people forced from their homes because of rising sea levels, heavier floods and more intense droughts. Quite simply, Where will they go?

And climate change will lead to rising insecurity and conflict as natural resources become more scarce. The UN reported last year that among the complex origins of the conflict taking place in Darfur was ecological degradation, including the spread of desert, decline in rainfall and loss of forests. The Ghanaian representative at the UN Security Council reported in last year's climate change discussion that nomadic herdsmen in Ghana are now arming themselves with assault rifles to confront local farming communities.

The Himalayan glaciers are the most important source of water for some one and a half billion people – indeed Manmohan Singh, India's Prime Minister recently called them the 'water tower of Asia'. Those glaciers could disappear in little over twenty five years time.

Given this knowledge, we must envisage a future when wars are fought not for land, but for water. If today's image of climate change is the polar bear, tomorrow's could be the AK47.

For if we fail to tackle climate change we won't just see the rate of progress in tackling hunger, illiteracy, and sickness slow down. As last year's UN Human Development Report shows, if we fail to tackle climate change, global poverty will increase – development will go into reverse.

But if climate change threatens development, it is just as true that development – a new kind of low carbon development – is the only credible response to climate change. For prosperity and economic progress are the best protection for vulnerable communities. Countries with well educated people, with good infrastructure and with the wealth to cope with climatic shocks will fare best.

Priorities for action

In 2008, none of us can claim that we do not know the scale and urgency of the problem. Yet this recognition must lead to action, rather than despair.



And I want to suggest today we need to act on three key priorities:

- Agreeing a global post-Kyoto framework;
- Building a global low-carbon economy; and
- Protecting the most vulnerable.

Let me take these in turn.

Agreeing a global post-Kyoto framework

Above all, we must direct our international efforts towards preventing further dangerous climate change. Bali started us on the road to agreeing a global post-Kyoto framework – but let's be clear, the hard work starts now.

Our first priority must be to agree a global limit for greenhouse gases in the atmosphere. European governments have already said we must give ourselves the strongest possible chance of containing temperatures within 2 degrees centigrade above pre-industrial levels. That means cutting global greenhouse emissions by at least half by 2050. We now need a focused and open debate about where to set the global goal.

With a goal established, we will need to identify how to allocate the task of meeting it. Developed countries must take the greatest responsibility for cutting emissions, because we hold the greatest responsibility for the climate change that is already occurring and we have a greater capacity to act.

The United Kingdom's international influence on climate change will also depend in part on the leadership we take at home. Our Climate Change Bill distinguishes us as the first country to legislate for such significant cuts in our emissions. We have already committed publicly to a 60% cut, and the Prime Minister, Gordon Brown, has recently called for a review to explore "whether our own domestic target should be tightened up to 80%".

But developing countries, in particular the largest emerging economies, will need to join that transition too. For their emissions are growing fast. We all know that China has joined the ranks of the world's largest polluters – it is now suggested that China plans to build as many coal-fired power stations in the next eight years as have been built in Western Europe since the second world war. The McKinsey Global institute estimates that developing countries will generate nearly 80 per cent of growth in world energy demand between now and just 2020.

This demand for energy stems from a fundamental right to development. 1.6 billion people – a quarter of the world's population – today have no access to electricity. We cannot simply say to those people, I'm sorry we got here first, and now we're going to pull up the ladder. Societies must continue to grow in order to create the prosperity that is needed both to lift millions out of poverty and to cope in turn with climate change.

Building a global low-carbon economy

So this is our urgent challenge: we must build a global low-carbon economy that enables sustainable long-term growth in both developed and also developing countries.

This will require nothing less than a re-ordering of the global economy towards low carbon development – a huge task in and of itself. But building a low carbon path to development and growth should also be seen as an opportunity for developing and low income countries.

This will need a new model of development which does not aspire simply to replicate the path to prosperity taken by the industrialised world. Rather, it must seek to leap decades of



polluting development to enable developing countries to move straight to that cleaner and more prosperous future.

At present it will be the rich countries - and emerging economies - that will have the resources and technology to change quickest and hence be the winners. Our challenge is to help the poorest change with us so they can be part of this new opportunity. If we don't it will hurt us as well.

How we do this is obviously the critical question. It is here – at the crux of the climate change debate that progressive, centre-left politics has the most to offer. Climate change is by definition an international problem requiring a multilateralist, global response.

As a Labour politician, concern about the allocation of scarce resources is fundamental to my politics. Climate change and the environment are the clearest expression of these challenges.

We will need major institutional reform at national and international levels to help meet this considerable challenge. The Prime Minister set out a compelling case for reform of the international system last month in India, and it is an agenda he and the government as a whole will pursue vigorously in the months and years ahead.

All governments – in both the developed and developing world – must ensure they deliver a trinity of aims: economic growth, social cohesion and environmental care. International institutions must be reformed to provide the global framework to ensure that this is effective and fair.

Equally, it is clear that the market, left to its own devices, will not solve this problem. For example, the price we pay for energy today takes no account of its effect on the climate. Indeed Nicholas Stern called climate change the 'greatest market failure the world has ever seen'.

Addressing this market change will require regulation, incentives, and in the short-term, funding. The Stern Review identifies the mechanisms to which such initiatives are best directed: carbon pricing; technology policy; and removing other barriers to change. I will focus my remarks today on the first two: carbon pricing and technology.

If we are to put economic justice at the heart of a future climate deal we need to create a carbon price and market that works for the poorest and helps them compete and benefit from a low carbon future.

The Stern report estimated that the carbon market could eventually provide transfers of up to \$40 billion per year to developing countries. But that market is still in its infancy. The Clean Development Mechanism in 2006 directed around \$5 billion to developing countries.

We need a global carbon market that will increase the flow of finance to the least developed countries. This will require reform, such as expanding to include new sectors – such as forests. Deforestation accounts for some 20 per cent of all global emissions. Indeed over the next five years alone, deforestation will account for more carbon emissions than all of the aircraft since the Wright Brothers. Yet without appropriate incentives to protect forests, we are valuing them for the timber we can plunder, rather than the carbon they can absorb.

Deforestation is also a clear example of the new economy required. We need to alter the terms of the market to better reflect our needs and priorities. We need to create the market conditions so that saving carbon can be valued more than chopping down trees. This is why the UK has pledged £15 million to support the work of the Forest Carbon Partnership Facility, launched recently at Bali, to help provide the right financial incentives to avoid deforestation in developing countries. And that is also why we have committed £50 million to a special fund to help safeguard the forests of the Congo basin – the second lung of the world.



The second prescription for a global low-carbon economy is through policies that support the development of new technologies. To achieve the deep cuts in emissions that are needed, all countries will need to develop and adopt new technology – and actively ensure that such technology is effective in developing countries.

There has of course been a lot of discussion about the role of intellectual property rights in the development and distribution of low-carbon technology – and it is something which clearly requires much further work. Unlike the pharmaceutical sector, there is no single ‘cure’ that can be developed to ensure low-carbon growth. So it is as important that we help developing countries to build their own capacity to innovate as well as encourage the transfers of technology from developed countries.

That’s why my Department, the Department for International Development has provided over £50 million to drive the development of the Clean Energy Investment Frameworks at the World Bank and Regional Development Banks - to help developing countries take advantage of technology and clean energy. But we need a dramatic expansion to this effort.

The Prime Minister has proposed creating a multi-billion pound global climate fund at the World Bank to provide the incentives and resources for developing countries to safeguard their natural resources, protect their vulnerable communities and grow in a low-carbon way.

This fund must be comprehensive in scope – it must marshal the necessary resources to help deliver the low carbon economy and help developing countries to adapt to the impact of climate change. And it must be an international fund that draws on the support of as many countries as possible.

The UK’s £800 million International Environmental Transformation fund, launched last year, will form one cornerstone of this international fund. Last week the United States announced that it would provide £1 billion for clean technology. And the Japanese Prime Minister also made an announcement of support at Davos a fortnight ago.

During the course of this year, building on the commitments Japan, the United States, the United Kingdom and others have already made, we will establish this new fund. In this way the World Bank can become not only the global leader for development, but also for the environment.

Protecting the most vulnerable against climate impacts

But let me turn to the third priority I identified: beyond agreeing a post-Kyoto global framework and creating a global low-carbon economy, must be to help protect the most vulnerable from the now inevitable impact of climate change. The new international climate change fund will assist in this effort, but must be the start rather than the end of our commitment.

Developing countries will need access to the best efforts of scientists, economists and development experts. So I can announce today that the United Kingdom will spend over £100 million over the next five years on research into the science, social and economic impact of climate change for the most vulnerable developing countries, and on helping those countries to put that information to good use.

This ten-fold increase on our spending compared to the last five years will be formed of three pillars: improving scientific understanding; improving economic and social understanding; and providing the best expertise to developing countries to help them plan their response.

Firstly, we need to answer the most basic questions of what climate change will mean for the most vulnerable countries and communities. Will the Sahel become wetter or drier? What will



be the impact of higher rainfall in Ethiopia and Kenya on agricultural productivity, the spread of malaria and the danger of flooding?

We are already working in Africa to ensure that meteorologists are able to supply the kind of information that Governments need to advise farmers on changing climates – such as trends in rainfall, droughts and floods. The kind of long-term information those meteorologists have simply never provided previously.

In the next five years we will do much more of this - working with leading climate research institutions, in the UK and around the world, to fill the knowledge gap on local climates and make findings available to the governments of developing countries.

Secondly, we will invest in helping developing countries to identify, beyond the environmental impact of climate change for their countries, the specific social and economic impacts that will follow. We will help countries and regions to translate the internationally recognised work of Nick Stern on the economics of climate change into analysis at a regional and at a country level.

And we are already helping researchers to identify options for responding to climate threats, with a £24 million programme in Africa, which is already for example:

- Giving farmers in Benin the information they need to know when and what to plant, to give their crops the best chance of surviving changing weather patterns; we're
- Educating farmers in Nigeria through radio drama in how to best safeguard their crops; and we're
- Analysing weather information in East Africa, so that malaria epidemics can be predicted up to four months before they happen – helping doctors to better manage the outbreaks.

We will also expand this programme into Latin America and Asia, to ensure that the least developed countries can benefit from the best possible research.

Thirdly, developing countries need access to world-class expertise to help them build climate resilient economies and societies. So the United Kingdom Government, working with any interested partners, will establish a climate change centre – deploying a virtual network of the best researchers, practitioners and institutions in the field of climate change – to help interested developing countries to close their research gaps on physical, social and economic impacts.

In the climate debate, improving resilience against impacts is of course known as 'adaptation' – but too easily this suggests that it is somehow separate from development. It isn't. Adaptation simply means development under the conditions of a changing climate.

Those conditions make the job of development harder, so we need to help developing countries to plan their efforts to tackle poverty differently and better. Not with adaptation as an add on, but with climate resilience built in from the beginning. To achieve this countries will need extra resources – so it is all the more important that developed nations live up to their promises to provide extra aid resources.

How much extra funding will be needed on top of existing aid commitments is frankly uncertain – which is why more work needs to be done, and why my Department is funding a study with the World Bank and the Dutch Government to help establish the costs of effective adaptation.

The test for our generation



In truth, in terms of development we are approaching a crossroads. If we as a generation fail to meet the climate change challenge, we risk condemning the world's poorest people to generations of poverty. Climate change will not only embed existing patterns of inequality – both between and often within – countries. It could also extend them.

We must therefore build a low carbon economy that ensures we deliver the development needs of the world's poorest people. And to do this a post-Kyoto deal must meet 5 key tests:

- A goal with credible near-term targets;
- A way of sharing greenhouse gas emissions that is fair and equitable;
- A reformed carbon market to increase the reach and impact of carbon finance for poor countries;
- Support for technology development and transfer to benefit developing countries; and
- Support for developing countries to build their resilience and adapt to climate change

This is a challenge for all of us. Yes, of course, politicians such as myself have an important responsibility. But equally, civil society and academia has a key role to play. We must ensure that we harness the growing civil society interest in climate change towards global poverty and not let it become a competing interest.

Put simply, in 2005 the world came together to make poverty history. If we do not address climate change we threaten to make poverty the future.

That is why I look forward to working with many of you in this room in meeting this challenge and delivering a low carbon economy that meets the needs of the poorest people.

Confronting climate change is our shared challenge. Dealing with it could be our shared opportunity. Tackling it must be our shared achievement.

ENDS

Notes

Rt Hon Douglas Alexander MP, the Secretary of State for International Development was giving The Foreign Policy Centre's inaugural Annual Lecture. The event was held at the London School of Economics and sponsored by the Joseph Rowntree Reform Trust on Wednesday 6 February 2008 at 10.30am.

More information:

Foreign Policy Centre www.fpc.org.uk

Department for International Development www.dfid.gov.uk

Joseph Rowntree Reform Trust www.jrrt.org.uk

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