

Rappoteur's Summary

S. Gaffin

Rapporteur's report on session IV - "Is it possible to apply the same policy instruments to both Developing and Developed nations?"

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OVERALL SUMMARY OF SESSION:

It will be difficult to apply the same policy instruments in their presently conceived form. However it may be possible, after careful consideration is given to the very different contexts that exist in developing countries, and if the barriers to the various policies are understood and addressed. It will be especially important to harmonize policies with the special concerns and incentives of developing country citizens. This includes policy integration, which tries to link climate goals with more immediate goals like increasing social welfare and health. One must be careful not to overestimate market mechanisms. In short, policies cannot be transferred wholesale to developing countries.

SUMMARY OF DR. M. ASADUZZAMAN PRESENTATION:

The most important issues are country context and the policy effectiveness of instruments. Understanding context means understanding that, although population size is large, growth rate has begun to decline in many places like Bangladesh. Economic growth may be more important than population for CO₂ emission. The poor data quality for developing countries is very critical. Price elasticity is now in developing countries (and in developed countries) and this means carbon taxes may not be effective. The 'effective' tax rate on fuels is already quite high and people in developing countries strongly discount the future. Institutional capacity for dealing with 'joint implementation' is weak and already burdened by other concerns for economic development.

SUMMARY OF DR. PITCHER's COMMENTS:

IAMs are on a learning curve and there is a large informal sector in developing country economies that is not presently represented.

SUMMARY OF DR. TAE-YONG JUNG's PAPER:

Dr. Jung discussed what is 'policy integration'. Answer: it represents coordination between developed and developing countries, for the purpose of reducing CO₂ abatement costs. A key example is the strategy of linking local air pollution control efforts (SO_x, NO_x) with CO₂ reductions in order to offset GDP reductions. There are many barriers to policy integration; most of all one must recognize the fact that global warming concerns, although present, are relatively low compared to other policy issues. There is also the burden of financing policy integration and lack of an appropriate management experience. Dr. Jung cited numerous examples of policy integration, which were proposed in the ECO ASIA Long-term Perspective Project, involving air & water pollution, recycling and biodiversity (eg. tourism increase may offset biodiversity preservation costs.) He then used the AIM/Korean sulfur model to show many examples of policy integration that can simultaneously reduce sulfur emissions.

SUMMARY OF DR. S. MORI'S PAPER:

Economic development and environmental protection are now linked issues. Market mechanisms however are not foolproof. It is necessary to harmonize market mechanisms with development issues, especially population and economic growth. Numerous interrelationships make policy integration difficult. For example population increase leads to urbanization leads to employment concerns and infrastructure requirements (transportation, water, etc.).

SUMMARY OF DR. ROTMAN'S PAPER:

Dr. Rotman focused on population growth making use of the concept of 'transitions.' Demographic transitions can be strongly influenced by policy both in the short term (family planning) and the long term (investments in female welfare and education). Dr. Rotman showed how IAMs can help assess population growth using the TARGETS 1.0 model. He analyzed in particular population growth and human health, making strong use of three different cultural perspectives. He emphasized that policy issues must be tailored to local needs.

SUMMARY OF DISCUSSION/REACTIONS:

Dr. Asaduzzaman: "... one deficiency of my paper was not emphasizing the large informal sector in developing countries, but I am not sure how to account for it in IAMs..."

Dr. K. Ruffing: "...It seems that policy instruments for both the developing and developed nations are not necessarily different but the 'mix' is... panelists did not comment much on the appropriate mix of different policies ...".

Dr. Mori: "... Some infrastructure concerns may be solved by market mechanisms but the rest will involve long range planning ...".