



Climate Change : Climate Solutions

Climate Stimulus: A New Green Deal?

President Roosevelt's New Deal transformed Depression-era America into the wealthiest nation the world has ever known. Could a New Green Deal work similar wonders for climate protection and economic recovery?



Allianz Lectures: A New Global Green Deal for the Future

Discussing a new green deal: Hans-Joachim Schellnhuber, Robert Glasser, Harald Schumann, Sunita Narain, Prabhu Guptara (Photo: Allianz)

What does global climate change have in common with the worldwide financial crisis, CARE International Secretary General Robert Glasser asked the audience at the Allianz Foundation Forum in Berlin. The blunt answer: Both have the greatest impact on those who are least responsible for the mess we're in; they are catastrophic for the world's poor.

Initial World Bank figures show some 50 million people descending into poverty in the past year in the wake of collapsing banks. Glasser estimates that another 50 million could follow this year. "We fear an escalation of crime and violence, which will also lead to political instability over the long term."

For many poor regions that have already suffered from high food prices, droughts, storms, and conflicts in recent years, the economic crisis could be the knockout punch, says Glasser. Given such dire forecasts, Glasser's conclusion elicits an uncomfortable silence in the Berlin auditorium: "Climate change is by far the greater threat."

Some 80 percent of the population affected by climate change lives in the world's poorest countries. Without financial resources, they have no protection against the consequences of global warming. Although the economic crisis may lead to lower greenhouse gas emissions in the short term, the rich industrialized nations are unlikely to offer financially painful concessions for the sake of climate protection.

So why not make a virtue of necessity, say many environmentalists, and invest the billions from economic stimulus packages in green technologies and renewable energies to lessen the impact of global climate change?

Europe, once a leader in the fight against global warming, is now lagging behind. While some 80 percent of the South Korean stimulus

package is going toward environmentally friendly technologies, Germany is only investing about 10 percent of its economic aid in green projects, criticizes Hans-Joachim Schellnhuber, Director of the Potsdam Institute for Climate Impact Research.



Video (click on the image to start)

Indian environmentalist Sunita Narain on India's right to grow and pollute
(Video: Allianz)

Schellnhuber, his voice slightly hoarse from the latest round of tough negotiations on a new global climate treaty, compares the international political response to Russian roulette. To have the same chance of survival that one has playing with a loaded weapon, the world community must achieve an 80-percent reduction of its greenhouse gas emissions by 2050.

The current debate is merely looking at a 60-percent reduction, however. The best this will yield is a 50-percent chance of surviving climate change without dramatic losses. "No one would take such a risk in normal life unless he were crazy, in love, or suicidal," says Schellnhuber.

What we need now is a radical realignment of the global economy, say Indian environmental activist Sunita Narain and her compatriot Prabhu Gupta, member of the World Future Council and Director of the Wolfsberg Center, a think tank of Swiss banking giant UBS.

Europe: No longer the good guy in climate change

Narain, who heads the Centre for Science and Environment in New Delhi, sees an obligation on the part of industrialized nations. Europe in particular has long put itself forward as progressive on climate issues while avoiding drastic reductions in its own emissions. "This is too often sold as a win-win situation, but there is no silver bullet for the emissions problem," says Narain.

Only a change in the way we live and consume can bring about the necessary reductions. Meanwhile, developing countries must be afforded the opportunity to achieve sustainable progress and prosperity.

Guptara even talks about a more fundamental crisis. "We don't have a financial crisis but a moral and ethical crisis, a crisis of values." It is the tragedy of our times, he says, that it is ruled by a selfish elite.

So instead of rebuilding the economy in its former mold, the crisis must be used to construct a global system of financial regulation. Otherwise, Gupta is certain, all the billions and billions from the stimulus packages will only lead us to the same old problems again.

All the participants of the fourth Allianz lecture, however, agreed that

the crisis is also an opportunity. Hans-Joachim Schellnhuber is counting on grass-roots change and greener technology. Industrialization, he argues, was not planned by governments but by creative engineers and profit-oriented financiers. "We shouldn't underestimate the power of innovation."

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Prabhu Guptara also appeals to the audience not to succumb to the mistaken belief that we are powerless. What we must do is exert the greatest possible pressure between now and the final climate talks in December 2009. "We are the solution," he says. "The world changes when people change."

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