Climate Change and Economic Growth:

The role of technical change and what can public policy do about it

Presenter: Philippe Aghion (Harvard University and Bruegel)
Discussant: Jos Delbeke (DG Environment)

6 July 2009, 12:45 to 14:30, at Bruegel

This December countries will get together in Copenhagen for the United Nations Climate Change Conference to work towards a new global climate treaty. But while there is widespread consensus on the need to act globally on this problem, the consequences of climate change for economic growth and public policy options are less well understood. The growth impact of climate change policies is a first-order issue but has so far not been subject to systematic economic analysis. Philippe Aghion's (Harvard University and Bruegel) most recent work is a major contribution in this area.

In his recent paper on the environment and technical change, Aghion proposes a conceptual framework to address these issues. With his co-authors, he finds that accounting for technical change increases the cost of delaying intervention and creates the need to use profit taxes or other instruments to direct innovation, in addition to the input tax often discussed in the literature.

Philippe Aghion is a Robert C. Waggoner Professor of Economics at Harvard University. Previously, he held positions at the European Bank for Reconstruction and Development (EBRD) and taught at the Massachusetts Institute of Technology (MIT), Nuffield College (Oxford), and University College London. He is a Bruegel non-resident Senior Fellow since September 2006.

Jos Delbeke is Deputy Director General for the Environment (DG ENV) at the European Commission. Previously, he held various positions at DG ENV, including that of Director responsible for climate change and air, and at DG Social Affairs. He also worked at the IMF and was a professor of macroeconomics at the Flemish Business School (VLEKHO) in Brussels.

Participation in the seminar is by personal invitation only and the Chatham House Rule will apply for the discussion. A sandwich lunch will be provided at 12:45 pm before the session starts punctually at 1pm.

Bruegel is located at Rue de la Charité 33, B-1210 Brussels (Metro: Arts-Loi or Madou; see our web site for directions, www.bruegel.org). Please confirm your participation to Ann Van Gyseghem. (ann.vangyseghem@bruegel.org).