

The Limits of the Stern Review for Climate Change Policy-making

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The Stern Review on the Economics of Climate Change was published by the UK Treasury on 30 October 2006. It was announced to the world in a carefully orchestrated media campaign, spearheaded by the British Prime Minister and the Chancellor, in the week before five thousand climate change negotiators and actors congregated in Nairobi for the 12th Session of the Conference of the Parties to the UN Framework Convention on Climate Change.

The timing of the report and the authority the two most senior figures in British politics endowed it with was not accidental. Nor was the choice of the lead author, Sir Nicholas Stern, a former chief economist at the World Bank. The review therefore carried the imprimatur (even if by association) of that most establishment of financial institutions and, by being commissioned by the Treasury, the approval of another one. *The Stern Review* is a policy document, written by a team of civil servants, speaking to a very specific policy audience and it must be understood on those terms. It also draws upon a large mountain of submitted evidence from independent researchers across the UK and many countries further afield. The report therefore has cache in three of the circles of institutionalised power – politics, economics and science.

The report is undoubtedly impressive. Its 700 pages allow it to scan, sift and synthesise the scientific evidence for present and prospective climate change, assess what it is believed climate change might mean for society in the future, undertake a unique analytical exercise in attaching specific costs to these impacts, and survey and advocate a portfolio of policy measures that are worthy of consideration – some national, others with a more international flavour. The key message from *The Stern Review* is that the costs to society of doing nothing about climate change will eventually greatly exceed the shorter-term costs of re-directing the global economy onto a low carbon trajectory.

This message is spoken to two audiences. Nationally, climate change policy is now a crucial part of the actively contested territory between the three main political parties. The Liberal Democrats and the Conservatives are both seeking to out-flank Labour on this battleground. *The Stern Review* makes a strong statement legitimising new policy measures on climate change which the Government may want to introduce.

More importantly, *The Stern Review* also speaks to an international audience, as evidenced by the global tour of capital cities undertaken by Sir Nicholas Stern in the weeks and months since publication. The key message of Stern – action on climate change is needed to guarantee economic security – speaks into the world of international diplomacy which is struggling to come to terms with the challenges presented by climate change. The Kyoto Protocol expires in five years time and the nature of international co-operation on climate change beyond 2012 remains unclear. *The Stern Review* is a megaphone voice from London speaking into the clouds of hesitation, deviation and prevarication which surround current international negotiations.

But it is a very British voice. By this I mean that no other nation on Earth could at the present time have delivered such a bold and pedagogic message about climate change. *The Stern Review* resonates well within the domestic political

landscape in Britain, but perhaps nowhere else. The language of *The Stern Review* is increasingly the language of public discourse in Britain about climate change – where else would one find taxi drivers talking about whether 450 ppm or 550 ppm of carbon dioxide in the atmosphere was desirable? It draws heavily upon the UK science base, much more so than upon the scientific assessments of the IPCC. And finally *The Stern Review* fits perfectly with Britain's current diplomatic campaign of showing international leadership on climate change; it is an exercise in demonstrating British hegemony over climate change diplomacy. Put another way, a review of the economics of climate change commissioned by the Ministry of Finance in Beijing or Djakarta would look and feel very different to *The Stern Review*.

None of the above analysis is intended to argue that *The Stern Review* is an artificial or flimsy construction. It is just the opposite – it is a deliberate and substantial contribution to the debate. But how effective will it be and what difference will it make? In ten years time, will we be able to look back and analyse a pre-Stern and post-Stern discourse about climate change, or see 2006 as marking a break-point in climate policy?

I suspect not. To look for the reasons one need do no more than re-wind the clock to 1998 and the publication of the proceedings of the largest co-ordinated exercise yet undertaken by social scientists into examining the implications of climate change for human choice (Rayner and Malone, 1998). A self-proclaimed 'complement' to the United Nation's IPCC, this five year assessment delivered ten suggestions for policymakers in regard to climate change. They deserve wider visibility and recognition. To understand the limits of *The Stern Review* let me mention just three of these ten suggestions, all of which emerged from an extended examination of knowledge emerging from the social sciences (and anthropogenic climate change after all has emerged from society, not from nature):

- '*Recognise that for climate policy-making institutional limits to global sustainability are at least as important as environmental limits*'. *The Stern Review* has very little to say about new institutional arrangements commensurate with the nature of climate change decision-making. The barriers to effective action on climate change is not incomplete science or uncertain analysis, but the inertia of collective decision-making across unaligned or even orthogonal institutions.
- '*Employ the full range of analytic perspectives and decision aids from the natural and social sciences and humanities in climate change policymaking*'. *The Stern Review* remains dominated by natural science and macro-economic perspectives on decision-making and although some concession to the role of values and ethics is made in the review, the values and ethical judgements made are pronounced rather than negotiated.
- '*Direct resources to identifying vulnerability and promoting resilience, especially where the impacts [of climate change] will be largest*'. *The Stern Review* continues to place emphasis on linear goal-setting and implementation; a more strategic approach is to focus on measures that promote societal resilience and opportunities for strategic switching, informed by regional and local perspectives.

Climate change is not a problem awaiting a solution. It is categorically different to the depletion of the ozone layer over Antarctica where one could isolate the cause and effect chain and design a decisive intervention through a small number of actors to remedy the problem. Climate change is a phenomenon embedded in almost the entire diversity and geographical spread of human activity, enterprise and fulfilment, it emerges from the sense of identity and purpose we have (unfortunately) created for ourselves.

As the late Stephen Meyer stated eloquently in his parting monograph *'The End of the Wild'* just days before he died, our efforts to protect our companion species on this Earth should, "... like the Ten Commandments, remind us who we could be." (Meyer, 2006: p.88). As with biodiversity, so with climate. If we continue to measure 'progress' in the perverse way we do, if we continue to tolerate gross inequities in our contemporary social world, or if we continue to discount the value of the natural world, we will need to get adept at living in a world with a continually warming climate. No remedy will be in sight.

References

Meyer,S.M. (2006) **The end of the wild** Massachusettes Institute of Technology, Boston, 97pp.

Rayner,S. and Malone,E.L. (ed.) (1998) **Human choice and climate change, Vol.4 – what have we learned?** Batelle Press, 193pp.

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