

Tentative Programme

6 pm	:	Registration & High-Tea
6:30 pm	:	<i>Welcome Remarks</i> Dr. Rajiv Kumar, Director & CE, ICRIER
6:35 pm	:	Lecture by Prof. Michael Spence
7:10 pm	:	Open Discussion
7:40 pm	:	<i>Chairman's Remarks</i> Dr. Isher Judge Ahluwalia
7:45 pm	:	<i>Vote of Thanks</i> Dr. Rajiv Kumar

Abstract

This paper deals with global mitigation strategy. More specifically the main purpose is to address the question whether growth in the developing world is consistent with long run climate change objectives. The answer I believe is yes. In the first part, it lays out time paths for emissions for countries in various categories. These paths are consistent with their growth objectives, incomes and capacity to absorb mitigation costs. The intent is to show that while global emissions are likely to remain flat or even to rise as a result of the combined effect of mitigation undertaken by advanced countries and growth in the developing world, eventually reasonably safe global per capita levels can be reached on a fifty year time horizon. The second part of the paper discusses the roles of countries in different categories and mechanisms that would support the achievement of these paths. These mechanisms create incentives and deal with the absorption of costs. In particular, the paper argues that a carbon credit trading system in the advanced countries combined with an effective cross border mechanism and a "graduation" criterion for developing countries to join the advanced group, will create strong incentives, achieve a fair pattern of cost absorption and support the dynamics described in part one. One point emerges clearly. It is that the cross border mechanism (or international offsets) is essential in dealing with both the efficiency and the cost absorption/equity challenges.

Brief Profile



Michael Spence is senior fellow at the Hoover Institution and Philip H. Knight Professor Emeritus of Management in the Graduate School of Business at Stanford University. In 2001, he was awarded the Nobel Memorial Prize in Economic Sciences. He served as Philip H. Knight Professor and dean of the Stanford Business School from 1990 to 1999. Since 1999, he has been a partner at Oak Hill Capital Partners in Menlo Park. From 1975 to 1990, he served as professor of economics and business administration at Harvard University.

Spence was awarded the John Kenneth Galbraith Prize for excellence in teaching in 1978 and the John Bates Clark Medal in 1981 for a "significant contribution to economic thought and knowledge." Spence was named chairman of the Economics Department at Harvard in 1983 and served as the dean of the Faculty of Arts and Sciences from 1984 to 1990. At various times, he has served as a member of the editorial boards of *American Economics Review*, *Bell Journal of Economics*, *Journal of Economic Theory*, and *Public Policy*. Among his many honors, Spence was elected a fellow of the American Academy of Arts and Sciences in 1983 and was awarded the David A. Wells Prize for outstanding doctoral dissertation at Harvard University in 1972.

He is a member of the boards of directors for General Mills. From 1991 to 1997, he was chairman of the National Research Council Board on Science, Technology and Economic Policy. He is a member of the American Economic Association and a fellow of the American Academy of Arts and Sciences and the Econometric Society.

He was awarded a B.A.summa cum laude degree from Princeton University in 1966, a B.A.-M.A. degree from Oxford University in 1968 and a Ph.D. degree in economics from Harvard in 1972.