

Stern admits he underestimated global warming

FT INTERVIEW

Lord Stern tells Fiona Harvey and Jim Pickard he should have taken a much stronger view over the effects of greenhouse gases

The Stern report on climate change underestimated the risks of global warming, its author said yesterday, and should have presented a gloomier view of the future.

"We underestimated the risks... we underestimated the damage associated with temperature increases... and we underestimated the probabilities of temperature increases," Lord Stern, former chief economist at the World Bank, told the Financial Times yesterday.

In retrospect, he said, he would have taken a much stronger view in the report on the drastic changes that would come about if greenhouse gas emissions were not abated.

In the report, he estimated the costs of climate change at between 5 per cent and 20 per cent of global gross domestic product.

But these costs would be much higher if the report had taken a more aggressive stance on the probable consequences of warming.

Lord Stern said data published since his report came out, in October 2006, had led him to change his mind.

Last year, the Intergovernmental Panel on Climate Change, the body of the world's leading climate scientists convened by the United Nations, published the most comprehensive study of climate change science.

It predicted a temperature rise of 3 degrees Celsius within the next 100 years with catastrophic consequences for the planet,

unless greenhouse gas emissions were stabilised and then cut within the next decade.

"The damage risks are bigger than I would have argued. Things like the damage associated with a 5 degree temperature increase are enormous. We can't be precise about what it would be like but you can say it would be a transformation," he said.

But he defended his estimates of the cost of taking action on emissions, which he put in the report at about 1 per cent of global GDP.

"Subsequent reports, [from] McKinsey, the International Energy Agency, the Intergovernmental Panel on Climate Change, have pointed to the [Stern report's] costs of action being roughly in the right ball park. Nothing [since] has led me to revise the cost of action," he said.

"I probably would have emphasised the importance of good policy [if writing the report again today] and how bad policy puts up the costs [of cutting emissions]," he added.

Lord Stern has come under attack from economists and climate change sceptics since his report, which some sceptics regard as scaremongering.

Some argued that he underestimated the cost of taking action to cut emissions and overestimated the benefits to future generations.

Following the publication of his report, Lord Stern visited dozens of governments around the world to persuade them of the need to cut emissions and the low cost of doing so.

His report has formed a key part of discussions on climate change policy, including the UN-led negotiations last December in Bali at which a timetable was drawn up for two years of negotiations on a successor to the Kyoto protocol



Climate change: Lord Stern feels he underestimated global warming risks

Bruno Vincent