



Good Economics for Warmer Times

Digital Development Dialogue
29.02.2024 Seminar Summary

Climate change mitigation and adaptation is a multi-dimensional challenge, shaped by factors including political dilemmas, costs, appropriate technologies, and behaviours. The challenge is not just about addressing past behaviours, but also about the damage climate change does today, disproportionately to the poor people worldwide. With a lack of resources and infrastructures in poor countries, climate change adds to the existing challenges like food insecurity and education, fueling poverty vulnerability and mortality further. This raises the critical question of who should take accountability and pay for climate-change-related damages, given the global historical and current political realities.

In the final session of the winter term's Digital Development Dialogue on 'Good Economics for Warmer Times,' **Esther Duflo**, a Nobel laureate and Professor at the Massachusetts Institute of Technology, and **Cina Lawson**, Togolese Minister of Digital Economy and Transformation, discussed this question in detail. They shared their insights on leveraging economic and digital solutions to address climate change and drive economic growth in warmer times. The session introduced the political dilemma of development aid from developed to developing countries to address climate change. Gaps in global distribution, revealed during the COVID-19 pandemic, were also discussed along with evidence of digital development and social protection programs in Togo.

Renowned for her work on poverty eradication, Esther Duflo, emphasised the pivotal role of rich countries in mitigating the impact of climate change on poorer nations. Esther presented compelling data on the disproportionate contributions of affluent nations to global emissions and argued for a significant increase in climate financing to support vulnerable countries. Her presentation highlighted the necessity of integrating economic strategies with climate change initiatives to foster a more equitable and sustainable future. For this purpose, she proposed a three-pillar plan that aims to raise \$500 billion for climate change efforts in poor countries through increasing corporate taxes and taxing the wealthiest people globally, direct financial transfers triggered by climate events, and funding energy access and climate adaptation projects.

Drawing from her extensive practical experience, Cina Lawson, illustrated the transformative power of digital technology in addressing socio-economic challenges. She detailed the successful implementation of the 'Novissi' digital cash transfer program. This 'low-tech-high-tech model' in Togo during the COVID-19 pandemic, showcases how digital solutions can offer immediate and effective support to those in need. A poverty map was developed using satellite imagery technology to identify the beneficiaries. The program efficiently transferred funds to 920,000 poor individuals, of which two-thirds were women, demonstrating its successful and seamless operation. Cina's presentation underscored the potential of digital innovation in enhancing social protection systems and contributing to resilience against climate change and economic shocks.

During the Q&A session, attendees engaged the speakers on various topics, including the effectiveness of digital social protection programs, the ethical considerations of climate financing, and strategies for engaging young people in climate action. In response to inquiries about ensuring the direct impact of financial aid on intended beneficiaries, Cina shared insights into the mechanisms employed by the Novissi program to empower women and to ensure that funds reached the most vulnerable through training on financial behaviour and saving. In response to a question on how young people can contribute to solving the problem, Esther and Cina emphasized that young individuals, undeterred by the scale of the issue, should actively engage in climate action through advocacy, innovation, and lifestyle changes to reduce their carbon footprints and foster sustainable development. Both speakers highlighted the critical need for creative and concerted efforts across all sectors of society to address the complex challenges posed by climate change.

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