

# Preface

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Climate change is one of the most important issues in the world economy nowadays. Without significant reduction of greenhouse gas emissions, it will hinder economic development and the sustained growth of humankind. Confronting this global problem, governments (mostly of developed countries) have been making efforts to mitigate and adapt to it. These efforts have launched international collaboration, resulting in the United Nations Framework Convention on Climate Change (UNFCCC) and the 1997 Kyoto protocol. There are ongoing negotiations for the post-Kyoto era beyond 2012, when more countries are expected to participate in the collective action. Accordingly, many countries are introducing, expanding, or improving their policy measures to respond to climate change.

It appears, however, that many obstacles lie ahead in achieving an efficient and equitable mitigation policy framework, on both the global and the national levels. Owing to different economic conditions and the “public good” nature of climate change, procedures to secure global agreement are being considerably delayed. Domestic policies are often distorted because of conflicts of interest between different industries and regions, and between firms and taxpayers. Political procedures for environmental regulation raise problems of dynamic consistency and commitment.

These challenges are more severe in developing and newly developed countries such as Korea. Concerns that regulation of greenhouse gas emissions could seriously halt economic growth make the adoption of mitigation policy difficult. Governments are faced with difficult considerations when trying to take a balanced position between economic development and environmental protection. Traditional industrial policies and regulations often conflict with emissions regulation and support for “green industries” and “green technologies.” Most of all, insufficient experience with environmental issues hampers appropriate policy designs and public consultations.

Under these circumstances, the Korean government declared its Green Growth National Strategy in 2008. The strategy aims to harmonize sustained economic growth and the enhancement of the quality of life, at the same time participating in global cooperation in responding to climate change. Challenges still remain, and the success of this ambitious strategy

depends on preparing a policy framework composed of balanced, efficient, and acceptable measures.

This book addresses major climate change issues and reviews policy options. It collects lessons from global experience and discusses the mitigation policy framework of Korea in its initial stage. Particular focus is on the need for a mitigation policy, the design of an emissions trading scheme (one that is known to be an efficient market-based mitigation policy), energy policy in the context of the mitigation framework, the political economy of climate change, and potential conflicts between the international trade framework and the mitigation policy measures. Authors from the United States, the Netherlands, and Australia address and discuss these issues based on global experience of responding to climate change. Authors from Korea review climate change issues from the perspective of Korea, assess policy measures adopted or proposed by the government, and suggest policy directions.

The chapters of this volume are based on papers presented at the conference on Climate Change and Green Growth: Korea's National Growth Strategy, organized by the East-West Center (EWC) and the Korea Development Institute (KDI) in Honolulu, Hawaii, in July 2008. At the EWC-KDI conference, renowned scholars presented and discussed various issues on climate change. The chapters have been developed through fruitful discussions during the conference and updated further by the authors.

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Oh-Seok Hyun  
President  
Korea Development Institute