



January/February 2014

Floors 3-5, Belfer Building

**RUGGIE RECEIVES GLOBAL ENVIRONMENT AWARD**



John G. Ruggie, Berthold Beitz Professor in Human Rights and International Affairs at Harvard Kennedy School (HKS), has been selected as the recipient of the 2014 Global Environment Award by the International Association for Impact Assessment (IAIA).

Ruggie received the honor for producing the UN Guiding Principles on Business & Human Rights.

"This award recognizes that project impact assessment – constructing a new mining operation, for example, or an oil pipeline – has moved beyond concern with environmental impacts, to include social impacts on people and communities, coupled with the need to take adverse impacts into account in project design," says Ruggie. "This award sends a strong signal that the premier international professional association for impact assessment is aligning itself with the spirit of the UN Guiding Principles."

The Global Environment Award is intended to celebrate those who "have made a substantial contribution to the practice of environmental assessment, management or policy at a global scale, or have otherwise made a major contribution to promote environmental sustainability or environmental justice," according to Greg Radford, IAIA President.

Ruggie joins a distinguished list of Global Environment Award winners including Maurice Strong, Jan Pronk, Mostafa Tolba, Margot Wallstrom, Gus Speth, Wangari Maathai, Lawrence Susskind, Elizabeth Dowdeswell, and Nicholas Stern.

**FINRA NAMES MADRIAN A PUBLIC GOVERNOR**



The Financial Industry Regulatory Authority in Washington has named two new public governors from Harvard University. **Brigitte C. Madrian**, the Aetna Professor of Public Policy and Corporate Management at the Harvard Kennedy School, is a specialist in behavioral economics and household savings and investments. Luis M. Viceira is the George E. Bates Professor at the Harvard Business School, who has done research in asset allocation. Both joined FINRA's board in January. FINRA is the brokerage industry's self-regulatory body and is overseen by a 24-person board of governors, 13 of those public and 10

from the industry. The chief executive, Richard Ketchum, has the remaining seat. The authority also named a new Investor Issues Committee that will advise FINRA staff on proposed rulemaking and the committee includes representatives of investment firms and universities, the Securities and Exchange Commission, and consumer groups.

**Seminars & Events**

M-RCBG has over 50 seminars and events scheduled for the spring semester. Visit [www.mrcbg.org](http://www.mrcbg.org) for a complete listing.



*Clean Air Act Regulation of CO<sub>2</sub> from Power Plants; Dallas Burtraw, Resources for the Future.* L-382, Jan. 29, 4:10-5:30.

*Regulatory Constraints to Financial Inclusion; Jay Rosengard, HKS.* Bell, Feb. 6, 11:45-1.

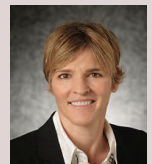


*Spring Semester Student Reception; Nye A,* Feb. 13, 3-4 pm.



*How Social Movements Succeed: Lessons from HIV/AIDS; Ethan Kapstein, Univ. of Oxford and Arizona State Univ.* Bell, Feb. 19, 12-1.

*Old Statutes, New Problems; Jody Freeman, HLS.* Bell, Feb. 25, 11:45-1.



*A New Meta-Analysis of the WTP/WTA Disparity; James Hammitt, Harvard.* L-382, Feb. 26, 4:10-5:30.



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## FACULTY AND PROGRAM UPDATES

### *Ruggie continued from pg. 1*

IAIA is a global network on best practice in the use of impact assessment for informed decision making regarding policies, programs, plans and projects.

Ruggie has long been involved in practical policy work. From 1997-2001, he served as United Nations Assistant Secretary-General for Strategic Planning. During his career, Ruggie has made significant intellectual contributions to the study of international relations, focusing on the impact of economic and other forms of globalization on global rule-making and the emergence of new rule-makers. He is a Fellow of the American Academy of Arts & Sciences, and surveys published in *Foreign Policy* magazine identify him as one of the 25 most influential international relations scholars in the United States and Canada.

Ruggie will deliver the keynote address during the IAIA's 2014 annual conference in Vina del Mar, Chile next April when he will receive the award. —*Jenny Li Fowler, HKS Communications*

### *Frankel publishes on domestic oil depletion*



**Jeffrey Frankel**, James W. Harpel Professor of Capital Formation and Growth and M-RCBG affiliate, recently published a paper titled "National Security Warrants Slowing Domestic Oil Depletion, Not Accelerating It." The paper proposes saving some of the deposits located offshore and under shale beds for a future emergency, by withholding federal permits for now, by reversing current artificial subsidies to production, and by a tax to encourage conservation.

### *M-RCBG hosts 21st annual Doyukai Symposium*

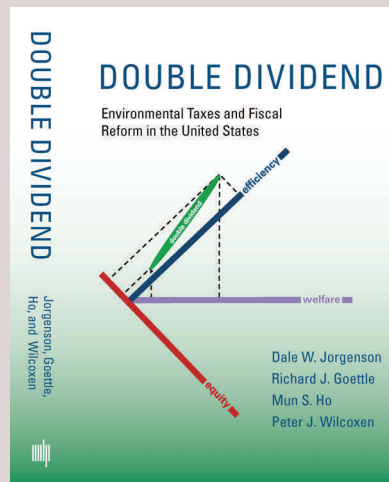


On November 18, 2013, M-RCBG hosted the annual symposium, this year titled "Growth, Trade, and Security for Japan and the U.S. in a Rapidly Changing World." Sessions addressed a range of topics, including the rise of China, manufacturing and energy policy, security and the U.S.-Japan alliance, trans-Pacific trade policy and non-military threats.

### *M-RCBG awards winter travel grants*

This winter, M-RCBG is providing financial support to 25 student teams, enabling them to conduct research for Policy Analysis Exercises and Second Year Policy Analyses (PAEs and SYPAs) in a variety of settings around the globe. Projects range from an exploration of the health insurance opportunity in emerging markets (**James Dyett**, MPP14) to the design of a community engagement process for a major food and beverage company committed to respecting the human right to water (**Chloe Christman**, MPP14).

### *Jorgenson co-authors book on environmental taxes and fiscal reform*



**Dale Jorgenson**, Samuel W. Morris University Professor of Economics and M-RCBG Faculty Affiliate, has co-authored the recently published *Double Dividend: Environmental Taxes and Fiscal Reform in the United States*.

In it, the authors discuss energy utilization, especially from fossil fuels, and how it creates hidden costs in the form of pollution and environmental damages. The costs are well documented but are hidden in the sense that they occur outside the market, are not reflected in market prices, and are not taken into account by energy users. *Double Dividend* presents a novel method for designing environmental taxes that correct market prices so that they reflect the true cost of energy. The resulting revenue can be used in reducing the burden of the overall tax system and improving the performance of the economy, creating the *double dividend* of the title.

The authors simulate the impact of environmental taxes on the U.S. economy using their Intertemporal General Equilibrium Model (IGEM). This highly innovative model incorporates expectations about future prices and policies. The model is estimated econometrically from an extensive 50-year dataset to incorporate the heterogeneity of producers and consumers. This approach generates confidence intervals for the outcomes of changes in economic policies, a new feature for models used in analyzing energy and environmental policies. These outcomes include the welfare impacts on individual households, distinguished by demographic characteristics, and for society as a whole, decomposed between efficiency and equity.

### *Goldberg becomes new M-RCBG faculty affiliate*



M-RCBG welcomes **Ray A. Goldberg**, George M. Moffett Professor of Agriculture and Business, Emeritus as the center's newest faculty affiliate. Dr. Goldberg is the author, co-author and/or editor of 23 books and over 110 articles on positioning firms and institutions in the global value added food system. He also has

authored and supervised the development of over 1000 case studies on various private, public, and farm cooperative firms and institutions in the global food system. His most recent publications involve developing strategies for private, public, and cooperative managers as they position their firms, institutions, and government agencies in a rapidly changing global food system. He is also conducting research on the major biological, logistical, packaging and informational revolutions that affect global agribusiness managers as they attempt to cope with the volatile restructuring of major commodity systems.

### *Citizen Schools names Summers chair of national board*



M-RCBG Director **Lawrence Summers** was recently named the Chair-elect of Citizen Schools national Board of Directors. "I am honored to be named Chair of Citizen Schools' national Board of Directors," said Summers. "Citizen Schools' proven model offers an innovative and scalable solution to re-imagining what the school day of the 21st Century should look like." Founded in Boston, Citizen Schools partners

with public middle schools in low-income communities nationwide to expand the learning day through academic mentoring and skill-building apprenticeships. The non-profit is a leader in expanded learning time (ELT) since opening its first ELT program at the Edwards Middle School in Charlestown, MA in 2006. An expanded day partner at 24 schools in seven states, Citizen Schools external evaluations indicate that its students achieve gains in learning that are as large or larger than top charter schools and exceed the U.S. Department of Education's guidelines for successful school turnaround.

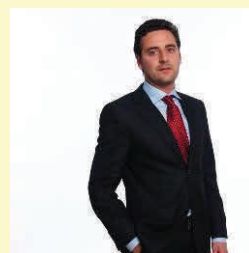
### *M-RCBG releases 15 new faculty working papers*

M-RCBG has recently released 15 new papers in its faculty working paper series. Topics include financial mergers, audits, budgets and spending and risk regulation. To access these and all other papers in the series, visit: [www.hks.harvard.edu/centers/mrcbg/publications/working-papers-and-reports](http://www.hks.harvard.edu/centers/mrcbg/publications/working-papers-and-reports)

### *HEEP hosts energy efficiency gap workshop*

The Harvard Environmental Economics Program, along with the Duke University Energy Initiative, hosted a two-day workshop on October 24-25, 2013 at the Harvard Kennedy School titled, "Evaluating the Energy Efficiency Gap." The energy-efficiency gap refers to some energy-efficiency technologies that would apparently be justified based on their private financial net benefits not being adopted at the expected rate. The workshop's goal was to identify potential explanations for this apparent phenomenon. Participants included approximately twenty economists and psychologists conducting research on this topic. The workshop was supported by the Alfred P. Sloan Foundation.

### *SSP fellow Livio Valenti named Forbes 30 under 30*



Forbes Magazine has named SSP Fellow **Livio Valenti** one of their 30 under 30 in science and healthcare. For the third year, the publication has named their picks for the best and brightest under 30 years of age in 15 different fields. Valenti was named for being the cofounder of Vaxess,

which uses silk to stabilize vaccines so they can be stored and shipped. One difficulty in getting vaccines to patients in the developing world is keeping them cold -the shots spoil if they're not refrigerated. The company raised \$4.5 million from Norwich Ventures and Angel Investor Jeffrey C. Walker.

### *Sustainability Science Program now accepting fellowship applications (deadline Jan. 15, 2014)*

SSP invites applications for resident fellowships in sustainability science for the academic year beginning in September 2014. The fellowship competition is open to advanced doctoral and post-doctoral students, and to mid-career professionals engaged in research or practice to facilitate the design, implementation, and evaluation of effective interventions that promote sustainable development. Some of the most serious constraints to sustainable development lie in the interconnections among sectors: energy's growing need for water; the impacts of water use on human health; the competition for land among food, energy and conservation initiatives; and the cumulative impact of all sectoral initiatives on climate and other key environmental services. A central challenge is to develop an integrated understanding of how sectoral initiatives for sustainability can compete with and complement one another in particular regional contexts. The 2014-15 fellowship competition therefore focuses on regional initiatives pursuing an integrated perspective on sustainable development in India, China and Brazil. For additional information, visit: [www.hks.harvard.edu/centers/mrcbg/programs/sustsci/fellowships](http://www.hks.harvard.edu/centers/mrcbg/programs/sustsci/fellowships)

## HARVARD PROJECT COP ACTIVITIES

### *Harvard Project conducts highly successful side event at COP-19*

The Harvard Project on Climate Agreements hosted an official side event at the Nineteenth Conference of the Parties (COP-19) of the United Nations Framework Convention on Climate Change (UNFCCC) in Warsaw, Poland on November 18, 2013. The event was titled "Linkage: A Promising Approach to Achieving the Goals of the Durban Platform." Panelists evaluated what may be an important component of global climate-policy architectures for the post-Durban era: linkage of regional, national, and sub-national cap-and-trade systems with other such systems; with carbon-tax regimes; and with non-market-based regulatory systems. The event was co-hosted by the Enel Foundation and the International Emissions Trading Association (IETA). Speakers included:

- Daniele Agostini, Head of Regulation of Wholesale Markets, Renewable Energy and Energy Efficiency, Enel
- Ashley Conrad-Saydah, Deputy Secretary for Climate Policy, California Environmental Protection Agency
- David Hone, Chairman of the Board of Directors, IETA and Senior Climate Change Advisor, Shell
- Gilbert Metcalf, Professor of Economics, Tufts University
- **Robert Stavins**, Albert Pratt Professor of Business and Government, Harvard Kennedy School, and Director of the Harvard Project

The presentations were based in part on a Harvard Project Discussion Paper by Robert Stavins and Matthew Ranson, "Linkage of Greenhouse Gas Emissions Trading Systems: Learning from Experience." David Hone also provided a background brief titled "Carbon Pricing, the FVA and the NMM: Charting a Course to a New UNFCCC Agreement."

Attendance was extraordinary, relative to most side-events at COP-19 – a nearly full room with a capacity of 250. –*Robert Stowe*

### *Harvard Project co-hosts panel at COP-19 on the Durban-Platform Process*

The Harvard Project on Climate Agreements co-hosted an official side-event panel at the Nineteenth Conference of the Parties (COP-19) of the United Nations Framework Convention on Climate Change (UNFCCC) in Warsaw, Poland. The event, held on November 20, 2013, was titled "Identifying Options for a New Climate Regime Arising from the Durban Platform for Enhanced Action."

Speakers included:

- **Robert Stavins**, Albert Pratt Professor of Business and Government, Harvard Kennedy School, and Director of the Harvard Project: Overview of options for a new international climate-policy regime based on the Durban Platform;
- Ottmar Edenhofer, Director, Mercator Research Institute on Global Commons and Climate Change (MCC): Can a hybrid global climate regime anchored in national policies deliver ambitious mitigation?
- Andreas Löschel, Head, Department of Environmental and Resource Economics and of Environmental Management, Centre for European Economic Research: Report of a survey among climate negotiators on the distribution of GHG emissions reduction targets and institutional frameworks for an international climate agreement.

The Durban Platform for Enhanced Action, adopted by COP-17 in December 2011, provides an opportunity for all key greenhouse-gas-emitting countries to engage in a new international climate regime that could bring about meaningful emissions reductions within a feasible timetable and at acceptable costs. The Platform calls for a new agreement to address climate change by COP-21, to be held in Paris in late 2015, which would go into effect in 2020.

This side event reviewed a number of options for a new international climate regime, based on social-science research, which might be embodied in the 2015 agreement. It was based in part on a research workshop conducted by the Harvard Project and MCC in Berlin in May 2013 – and on an Issue Brief that draws from and extends the discussion at the workshop. The side event addressed, in part, two major dimensions of a possible 2015 agreement: 1) The degree to which the agreement reflects "top-down" direction to national governments, "bottom-up" policy initiatives from national governments – or both; and 2) How the new agreement might enable increasing ambition over time with regard to reducing greenhouse-gas emissions, on the part of national governments.

–*Robert Stowe*

### *Summers on strategies for sustainable growth*

Since the start of this century, annual growth in U.S. gross domestic product has averaged less than 1.8 percent. The economy is now operating nearly 10 percent, or more than \$1.6 trillion, below what the Congressional Budget Office judged to be its potential path as recently as 2007. And all this is in the face of negative real interest rates for more than five years and extraordinarily easy monetary policies.

To read M-RCBG Director **Lawrence Summers'** full op-ed as it appeared in the Washington Post on January 5, 2014, visit: <http://wapo.st/1lxh9M8>