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The Centre for Environmental Economics & Climate Change (CEECC) at Pakistan Institute of Development Economics (PIDE) held a seminar on 2018 Nobel Prize winners William Nordhaus and Paul Romer.

The seminar was hosted by research economist Dr Ghulam Samad in which he discussed how the recognition of William Nordhaus for “integrating climate change into long-run macroeconomic analysis” gives environmental issues a centre stage in economic research. He also highlighted Paul Romer’s contribution of “integrating technological innovations into long-run macroeconomic analysis”. Romer and Nordhaus’s contribution can be summarised as “Integrating innovation and climate with economic growth.”

He was joined by PIDE Vice Chancellor Dr Asad Zaman, faculty members, researchers and students. Both of these winners elaborated the role of the government to enhance innovation by facilitating research and development and enforcing intellectual property rights.

He began the presentation by giving a brief overview of the prevailing schools of thoughts that focused more on exogenous factors influencing economic growth. The prevailing school did not answer how, when and why technological progress takes place. Romer picked up these questions and developed his endogenous growth theory by answering these questions. Romer explains ideas, innovation and human capital are the endogenous factors, which explain the long run growth that are embedded in the system. Dr Ghulam Samad then discussed Nordhaus’ contribution that describes the global interplay between climate change and economy. He also quoted how the current US President Donald Trump’s government has been exceedingly detrimental to the discourse on climate change and how Nordhaus’ win can pave way for future research on climate change.

He concluded his talk by asserting the importance of climate and environmental issues that are putting constraints on economic growth. He highlighted Pakistan, being a signatory to the climate change negotiations, and a developing country cannot keep aside the importance of environment and climate change issues. Towards the end participants asked several questions inquiring about the relevance of climate change research in the context of Pakistan. Concluding the seminar and an invigorating discussion he said CEECC at PIDE will continue to host such stimulating and engaging discussions for researchers and students so that they can continue to learn from one another.