



Press release

Munich, 18.09. 2007
Page 1 of 2

Climate change – The poor are worst hit

Project on the link between global warming and justice

Munich Re Foundation
Königinstraße 107
80802 München, Germany

Telephone +49 (0)89 / 38 91-88 88
Fax +49 (0)89 / 38 91-7 88 88
info@munichre-foundation.org
www.munichre-foundation.org

Letters: 80791 München, Germany

Chairman of the Board of Trustees:
Dr. Hans-Jürgen Schinzler
Chairman of the Foundation:
Thomas Loster

Whilst the industrialised nations, with their heavy use of resources, have the greatest impact on the global climate, poor countries are most vulnerable to climate change. The Munich Re Foundation and Catholic relief agency MISEREOR drew attention to the inequity of this situation at a press conference in Potsdam. The conference marked the launch of a study financed by the two that explores the link between “Climate change and justice. Climate policy as a component of fair globalisation and sustainable poverty reduction”. The study is being undertaken by the Potsdam Institute for Climate Impact Research (PIK) and the Institute for Social and Development Studies at the Munich School of Philosophy (IGP). Hans Joachim Schellnhuber, the Director of the Potsdam Institute, described the project as an important challenge for the PIK. Its objective was to find a new scientific basis for tackling poverty in times of climate change.

Poverty renders people vulnerable – in particular to extreme weather events, a point made by Johannes Müller, the Head of the Institute for Social and Development Studies. For instance, many slum dwellings were built on sloping ground and liable to be washed downhill during extreme weather events. The poorest countries, regions and people will probably be the main victims of climate change. In order to eradicate poverty in the long term, it is therefore crucial that the poor have greater capacity to act. This involves above all a just economic order.

Josef Sayer, the Director General of MISEREOR, also criticised the fact that people still perceived poverty and climate change as two entirely separate issues. There was, however, a strong interaction between the two, and the study aimed to cast light on this. Climate change has a long-term adverse effect on the living conditions of the poor, and threatens to undo many development achievements. Initial estimates had shown that tens of billions more would have to be invested in order to mitigate the effects of climate change.

Ottmar Edenhofer, Chief Economist of the Potsdam Institute, referred to the “carbon debt of wealthy countries”. After all, they had amassed their wealth at the expense of climate change. The industrial nations therefore had to radically reduce their emissions and at the same time clear the path to low-carbon development for the poorer countries. With the help of technical and institutional innovations, this could be achieved at relatively low economic cost. Important criteria for doing so were a corresponding technology policy, the introduction of global, intersectoral emissions trading and the setting up of an adaptation fund.

Thomas Loster, Chairman of the Munich Re Foundation, outlined ways in which assistance can already be given to the disadvantaged in developing countries. New forms of insurance could help to reduce the risks that poorer people faced. It was primarily low-income families that were being dragged further into poverty by economic crises, largely caused by weather-related natural catastrophes, disease or death. “Microinsurance and innovative agricultural and livestock products are particularly promising”, Thomas Loster reported. “A new type of cover introduced in Ethiopia in 2005 insures more than 15 million farmers against severe drought.”

A unique aspect of the “climate change and justice” project is interdisciplinary cooperation: each project partner brings its particular brand of expertise to bear in key areas. This revealed the connecting links so often overlooked when the various aspects were considered in isolation. This is more than simply taking stock. The objective is to identify options and recommendations and to explore them in open debate. The project shows the link between the effects of climate change and the fight on global poverty. Based on current climate and poverty research, proposals will be formulated for an ethically responsible climate policy that effectively underpins equitable globalisation and sustainable poverty reduction.

Further information and contact

Thomas Loster
Chairman of the Munich Re Foundation
Telephone: +49 (0) 89/38 91-88 88
E-mail: info@munichre-foundation.org