

## AUTHOR REPLY TO READER COMMENT

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Julie Nelson raises a number of issues with my paper.

First, she argues that the literature review on the total impact of climate change is incomplete. While it is true that many scholars have commented on the economic impact of climate change, few have published comprehensive estimates. I tried my best to synthesise the many concerns that people have raised in the caveats and interpretation of the numerical results. I did not, however, include a comprehensive list of every paper that has remarked on the subject, as that list would contain hundreds of papers.

The numerical results shown in the paper exclude derivative studies (Ayres and Walter, derived from Nordhaus; Berz, derived from Fankhauser; Kemfert, derived from Tol) and exclude partisan studies (Hohmeyer and Gaertner, funded by Greenpeace; Ackermann and Stanton, funded by Friends of the Earth). The Stern Review was excluded for both reasons. Stern's estimates are based on Hope's work. When writing his Review, Nick Stern was a civil servant. He is now a member of the House of Lords. The Stern Review was not reviewed by independent peers prior to its publication, while a published lecture does not substitute for peer review. The post-publication reviews (by, e.g., Dasgupta, Mendelsohn, Nordhaus, Weitzman, Yohe) raise many objections.

Second, she argues that the meta-analysis of the social cost of carbon contains a disproportionate amount of my own work. This is true. For that reason, I hesitated before writing my 2005 paper in Energy Policy. However, there was a clear demand for a paper like that, and no one was interested in writing it. I did do sensitivity analyses excluding one of the three dominant authors (Hope, Nordhaus, Tol), which showed that there is no overdue influence by any author. Still, there is a whiff of subjectivity around this piece of research. All the data are on my website, so that anyone can replicate what I did or do what they think is best.

Third, she argues that I ignore the Dismal Theorem of Martin Weitzman. Page limits meant that I could not pay more attention. I think the result is important, and I indeed published a mini-version of the Dismal Theorem in 2003. The Dismal Theorem is incomplete, however, as it excludes the costs of emission abatement. Until it is phrased in a proper decision analytic framework, I do not think one can draw many conclusions from the Dismal Theorem -- except that one should be very careful in interpreting the estimates of the economic impact of climate change. That message, I believe, is the main message of my paper.