



Climate and Energy Decision Making Sponsored Seminar

Rich Howarth

Professor,
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Presenting on:



Discounting for Time and Risk in Climate-Change Policy Analysis

March 29th, 2011

12 noon

(Lunch served at 11:50 am)

129 Baker Conference Room
Department of Engineering and Public Policy

Seminar Abstract: The debate over discounting has deep implications for the economics of climate change. Based on the premise that equal weight should be attached to the welfare of present and future generations, the Stern Review calls for aggressive steps to reduce greenhouse gas emissions to stabilize the earth's climate. Authors such as Nordhaus, in contrast, argue that people's observed economic behavior suggests that they have high rates of time preference -- a claim that favors a "policy ramp" approach in which only limited steps should be taken to slow the rate of climate change. Building on recent work in the fields of finance and climate science, this presentation will show that the proper framing of uncertainty substantially narrows the gap between these perspectives. Both Stern and Nordhaus understate both the risks of climate change and society's level of risk aversion. Accounting for these points implies that strict climate change policies can be justified without appeals to controversial ethical principles.

Speaker Bio: Rich Howarth is the Rosenwald Professor of Environmental Studies at Dartmouth College and the Editor-in-Chief of Ecological Economics. His work centers on the normative aspects of environmental governance with applications to topics such as energy use, climate change, and ecological conservation. Professor Howarth holds degrees from Cornell University (A.B., 1985), the University of Wisconsin-Madison (M.S., 1985), and the University of California at Berkeley (Ph.D., 1990), where his work focused on international comparisons of energy-use trends and the economics of sustainable development. Prior to his appointment at Dartmouth, he held positions at the Lawrence Berkeley National Laboratory (1990-1993) and the University of California at Santa Cruz (1993-1998).

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