Science & Technology

Why Economists Downplay Climate Risks

They’re being too “conservative,” but not in the way you might think.

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Winter 2019-20

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An international group of climate scientists, policy experts, and economists have issued a report warning that world leaders are being misled about the long-term economic costs of climate change.

The report’s authors, who include Columbia faculty Ruth deFries, Alex Halliday, Geoffrey Heal, Michael Puma ’98SEAS, ’99SIPA, Alexander Ruane, and Marco Tedesco, say that top policymakers and business leaders have for years been receiving economic assessments “omitting or grossly underestimating” some of the biggest risks. They say that because many of the threats posed by climate change are so novel, economists have yet to devise reliable methods of studying them and therefore tend to be conservative when predicting their disruptive potential.

Among the clear threats to industry that are routinely downplayed by economists are rising sea levels, extreme heat and humidity, intense floods and droughts, and loss of biodiversity.

“The lack of firm quantifications is not a reason to ignore these risks,” the researchers write. “When the missing risks are taken into account, the case for strong and urgent action to reduce greenhouse gas emissions becomes even more compelling.”

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