



Institute for Policy Integrity

Economists and Climate Change: Consensus and Open Questions

Gauging Economists' Consensus

The consensus among expert economists regarding climate change has long been understood in academic circles but has yet to make its way into the public discourse. Similarly, it was years before the climate change consensus in the scientific community was acknowledged.

Today, while scientists worry that global warming is occurring at faster clip than originally predicted, our political leaders are wringing their hands over what controlling our greenhouse gas emissions will cost. Lost in the debate is the broad agreement among expert economists that there is large economic cost to inaction.

To gauge the extent to which economists agree, Policy Integrity sent a survey to the 289 top experts who study these issues. Among the 144 that responded, there was broad agreement that action is warranted.

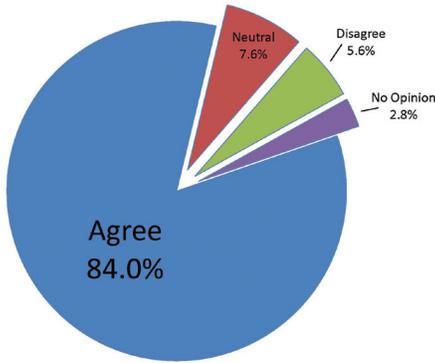
The Participants: 144 Elite Economic Experts

The survey sample includes economists whose research in the past fifteen years demonstrates expertise in this issue area. We compiled a list of 289 top economists who specialize in climate change—defined as every economist who published at least one article regarding climate change in one of the top twenty-five economic journals over the last fifteen years.

If this survey were to be distributed among the thousands of American economists, results would likely be skewed by responder bias—only those with the strongest opinions would answer. By only inviting those with expertise on climate change, and thanks to the high response rate, results are more statistically valid and less sensitive to error.

Respondents to this survey have published work in highly prestigious peer-reviewed journals such as the *American Economic Review* or *Journal of Economic Literature*. These journals publish only the highest quality scholarship, including Nobel Prize winning work on the most important economic topics.

The Results: Consensus on Climate Action



◀ Economies at Risk:

When asked if anthropogenic climate change creates "significant risks to important sectors in the US and global economy," 84% of expert economists respondents agree or strongly agree, 7.6% remained neutral, and 5.6% disagree or strongly disagree.

Certain Sectors to be Hit:

Of the respondents, 86% agreed that climate change will negatively affect the U.S. agricultural sector.

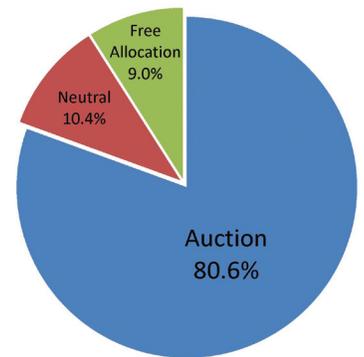
Climate Action Makes Economic Sense:

Nearly three quarters (73%) of respondents agree or strongly agree that uncertainty increases the value of emissions control measures. Of the remaining respondents, 18% were neutral, 9% disagree or strongly disagree, and 1% had no opinion.

There was near unanimity (98%) that a price on carbon will increase incentives for efficiency and innovation (only 1% remained neutral and 1% disagreed).

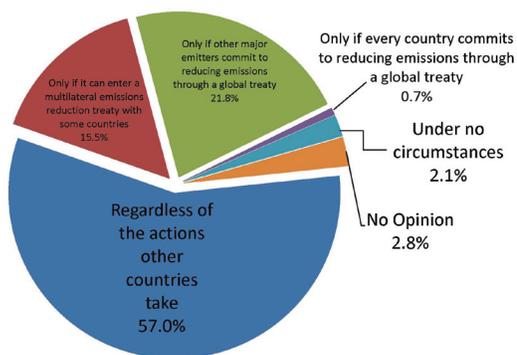
▶ Strong Consensus for Auctions Under Cap-and-Trade:

Respondents agree at a rate of 81% that a cap-and-trade system should auction permits to polluters and only 9% prefer the United States to give them away for free.



▼ U.S. Should Proceed With A Global Treaty:

Most respondents said the United States should commit to emissions reductions through a global treaty (94.3% total) with 57% stating that the United States should commit to reductions "regardless of the actions other countries take." Only 2% believe we should not enter a treaty under any circumstances.



Who Pays?

A strong majority of the respondents (about 92%) agreed that most of the burdens of climate change will fall on our children and grandchildren.

Disagreement on Some of the Details:

The experts surveyed did not agree on everything. When asked about the specific value of the harm to the economy of greenhouse gases, or what percent of total harm would occur domestically, there was a wide range of estimates, indicating that there is no clear consensus on these questions.

The Institute for Policy Integrity at New York University School of Law is a non-partisan think-tank dedicated to improving the quality of governmental decisionmaking through balanced economic analysis. Policy Integrity partners with advocacy organizations to promote sound cost-benefit analysis of environmental, health and safety policy at the state, national, and global levels. NYU School of Law dean, Richard L. Revesz and Michael A. Livermore founded Policy Integrity in 2008 and are the coauthors of *Retaking Rationality: How Cost-Benefit Analysis Can Better Protect the Environment and Our Health*.

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