

HOW TO THINK ABOUT CLIMATE CHANGE

Caught in the crossfire between climate deniers and catastrophists, the intelligent layperson is understandably bewildered when faced with the complexity of climate change. *How to Think about Climate Change* shows that economics provides not just a suitable, but an indispensable perspective to understand the root causes of the climate-change problem: scarcity of resources, externalities and free riding. Riccardo Rebonato argues that there are no silver bullets or easy solutions. However, he shows that the new-generation economics models offer a radically different insight about our best course of action from what most early models recommended – in particular, they suggest that fast and large-scale climate action can now be justified as the most cost-effective strategy without requiring the ‘infinite altruism’ of earlier models. Given the conceptual tools provided in this book, readers can decide whether they agree with these conclusions – and, if they do, what the most effective courses of action are.

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HOW TO THINK ABOUT CLIMATE CHANGE

*Insights from Economics for the Perplexed but
Open-Minded Citizen*

Riccardo Rebonato



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*To Rosamund,
to Seba,
and to my perplexed but open-minded students,
for whom the time is out of joint,
and who are born to set it right.*

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¹ www-cs-faculty.stanford.edu/~uno/.

² www.lamport.org/.

³ <http://gummi.midnightcoding.org/>.

⁴ <http://projects.gnome.org/latexila/>.