

EDITORIAL

While countless scientific reports highlighting the dire consequences of climate change have caused barely a stir, it is extraordinary that one put together by an economist should attract so much attention. Is it that forecasts made by economists are regarded as more reliable than those promulgated by 'hard' scientists - surely not? Nonetheless, Sir Nicholas Stern's Review on the Economics of Climate Change provides a welcome rebuff to those hoping wishfully that anthropogenic climate change will have a mild and marginal impact on the world's social fabric and the global economy. Perhaps the scariest thing about the review, however, is that it may well not be scary enough. Stern places a figure on the cost of unchecked climate change to the global economy of around US\$7 trillion. While undoubtedly a mindbogglingly high figure, could it be a serious underestimate? A repeat of the Great Kanto Earthquake, which devastated Tokyo in 1923, is predicted to cost anything between US\$2 and 4 trillion, making it an order of magnitude more economically devastating than any previous natural catastrophe. A pretty hefty dose of optimism is needed to arrive at the conclusion that the global mayhem certain to result from unchecked climate change, will cost just two to three times the impact of a single earthquake - even one striking at the heart of one of the world's industrial and commercial powerhouses.



Image: Hurricane Katrina cost close to US\$100 billion. Is it realistic to expect that the chaos and devastation expected from unchecked climate change will only cause up to 70 times this amount? Courtesy: FEMA.