

How Much Will Global Warming Cool the Planet

Ishan Nath, Valerie Ramey, and Pete Klenow

Sea Level Rise and Urban Adaptation in Jakarta

Allan Hsiao

Comments: Samuel Kortum

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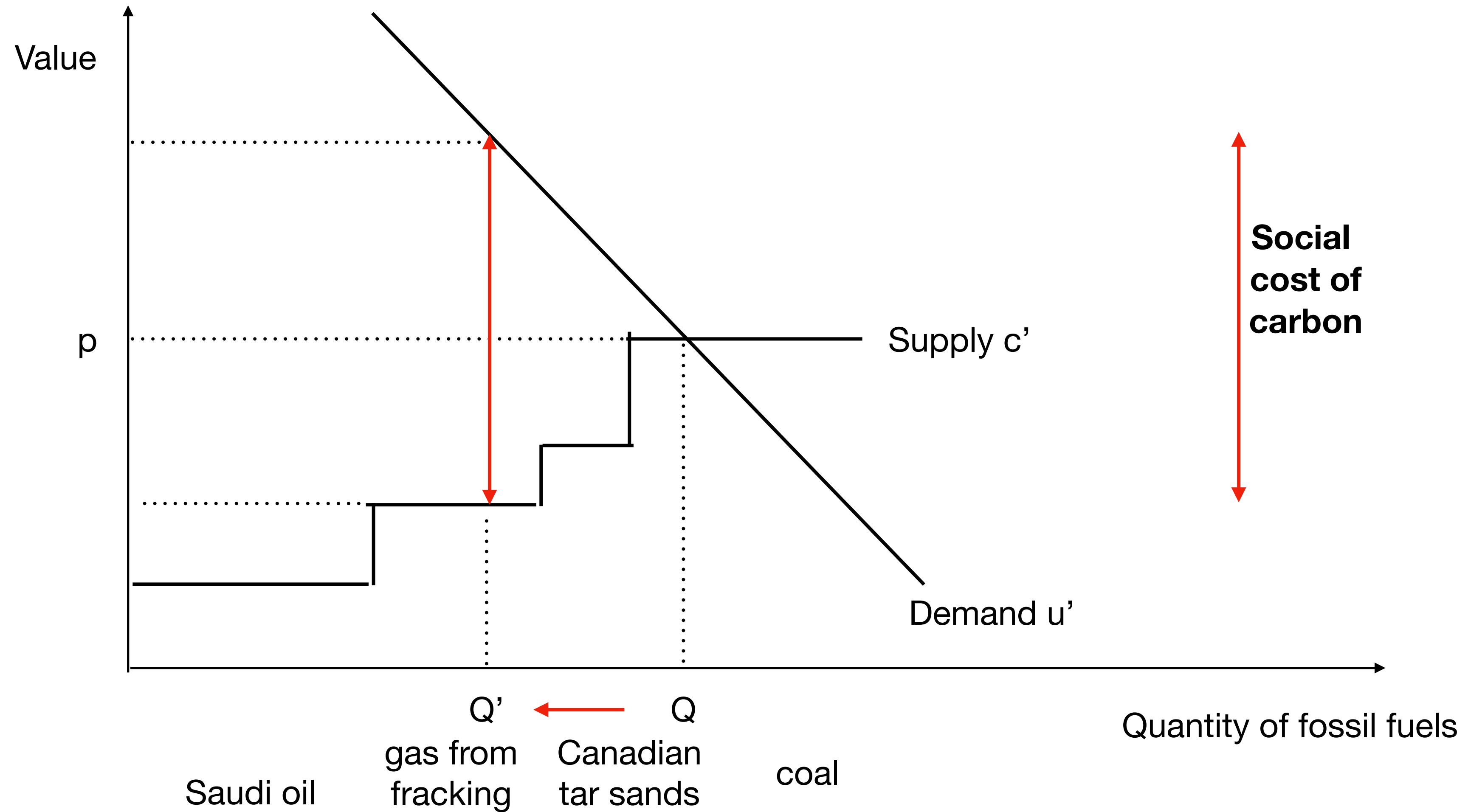
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- Why is it so important to get it right? ...

Global Carbon Policy



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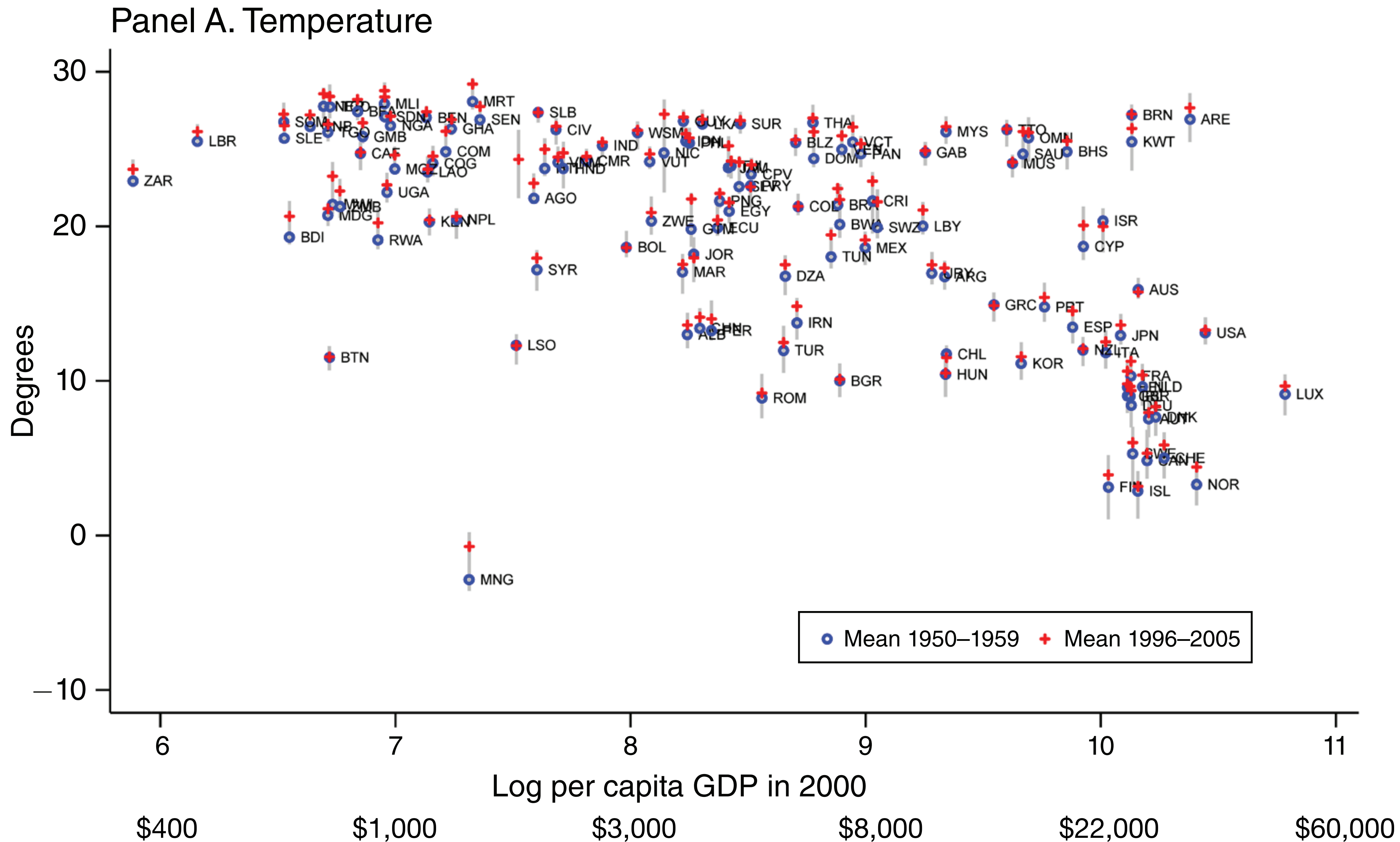
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- Challenge is nicely illustrated with a scatter ...



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- How to think about a **temperature shock**
 - don't think of it as a shock that ruins this year's crop (**then you'd see a bounce back**)
 - instead, think of it as a shock that interferes with productivity investments (**so persistent**)
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- Bottom line is a much higher estimate of the GDP cost of a temperature shock
 - So a **higher SCC** (but much lower than one built on permanent growth effects)

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 - but there's a leap of faith in taking such results too seriously
- Preferable to build up from tangible cases as is nicely done in Allan Hsiao's paper
 - that will take much longer, and we need rough answers ASAP
- A promising approach in between is a recent paper by Bilal and Rossi-Hansberg
 - "Anticipating Climate Change ...", but I call it "Capital and the Cost of Climate Change"
 - ... a dynamic macro/spatial analysis of localized shocks (severe storms) that damage capital