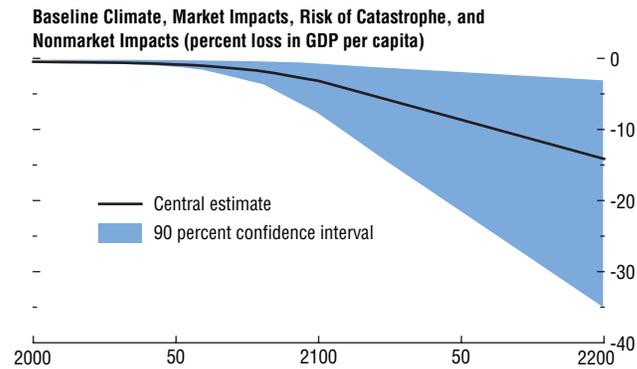
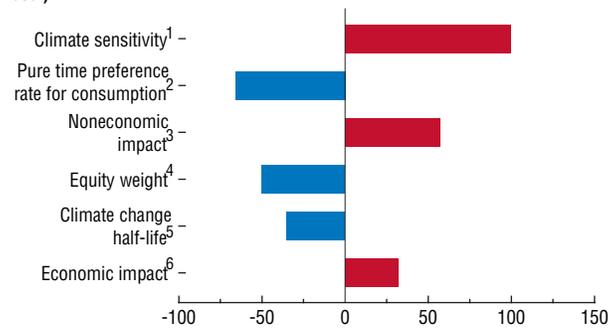


Figure 4.7. Variation in Estimates of Damages from Climate Change

There is considerable uncertainty about estimates of the economic impact of climate change.



Major Factors Causing Variation in the Social Cost of Carbon (positive values show an increase in cost; negative values show a decrease in cost)



Sources: Hope (2006b); and Stern (2007).

¹Equilibrium temperature rise for a doubling of carbon dioxide concentration.

²Pure time preference for consumption now rather than in one year's time.

³Valuation of noneconomic impact for a 2.5°C temperature rise.

⁴Negative of the elasticity of marginal utility with respect to income.

⁵Half-life in years of global response to an increase in radiative forcing.

⁶Valuation of economic impact for a 2.5°C temperature rise.