

Graciela Chichilnisky (ed): The Economics of Climate Change

Edward Elgar, Cheltenham

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I am a fan of Graciela Chichilnisky's work. She is not known for her contributions to the economics of climate change, though. 24 of the 44 articles in this volume are (co-)authored by Chichilnisky, a further 6 appeared in volumes edited by her, and another 4 are written by her co-authors. At the same time, a number of classic titles in the economics of climate change are missing. Climate sells. The publisher must have reckoned that "Collected essays by Chichilnisky and friends" would not be as profitable, so the book is advertised as "The economics of climate change". This is false advertisement.

Chichilnisky has made real contributions to environmental and resource economics. Her paper on North-South trade is sublime, cautioning against trade in goods (or permits) if property rights are differentially enforced between trading partners. Her work on deviations between efficiency and optimality is worth studying. She blazed a trail with her axiomatic approach to sustainable development.

But those gems sit between papers on the long-forgotten Bariloche model, obscure work on energy security, and opinion pieces from the *Economist's Voice*, the *Economist*, and *Nature*. Her results on endogenous risk hang on the public nature of those risks, rather than their endogeneity. Chichilnisky claims to be "the architect of the [...] global carbon market". She has proposed an International Bank for Environmental Settlements within the Bretton Woods system. That is not the same as the UN-administered trade in carbon dioxide emission permits that is included in the Kyoto Protocol (but never got off the ground).

A volume on the economics of climate change should not just contain the classic titles that anyone knows. Chichilnisky rightly included Weitzman's recent work that will be a classic. She also highlighted the contributions by Hossein Farzin and Larry Karp to the economics of climate change, which are not as frequently cited as they should. However, the edited volume is largely silent on the impacts of climate change, on the impacts of greenhouse gas emission

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reduction, on policy instruments for emission reduction, and on international environmental agreements. Given this, despite some excellent papers, the book does not justify its hefty price.

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