

Late items

In the light of recent debates in the Newsletter over Nick Stern's report I should like to add to the following to my 'letter from France':

As the recent debate in the RES newsletter shows, economists in the U.K. as in France, are still divided into two groups. There are those who see the economy and the environment as an interlinked dynamic stochastic process on which we have influence but which we do not control and think that we have to worry about some of the possibly catastrophic trajectories. On the other hand there are those who think of steady states which get knocked around a bit by exogenous shocks over which we have no influence or control. The latter wish to understand the mechanism by which man is warming the climate before trying to react optimally. At this point they can internalise the changes and solve the problem. Uncertainty is, for such economists an annoying but marginal problem, whilst some of us think that it is at the centre of the environmental debate.

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