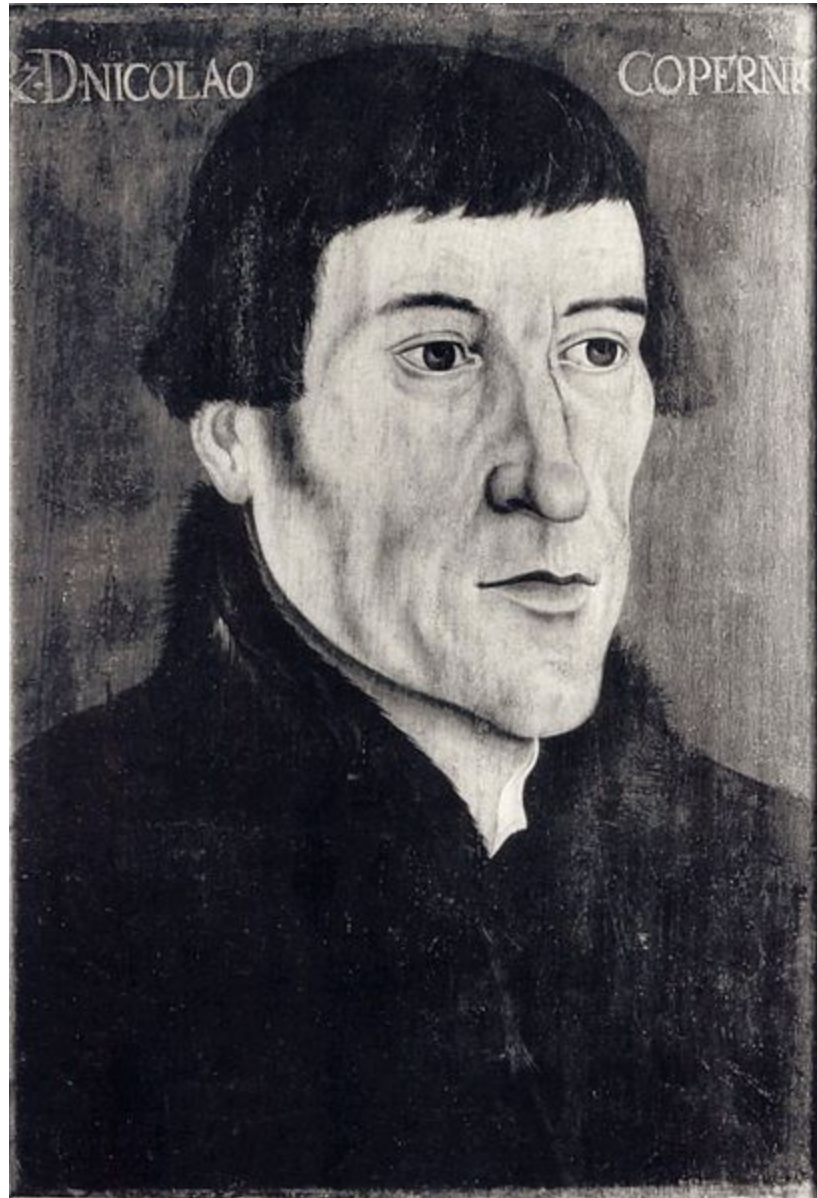


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Some Comments on Value

Adam Brandenburger



“Money, therefore, is a common measure of valuation.”

-- *A Theory Concerning the Minting of Money*, Copernicus, 1527/8

Can everything that is valuable be valued in money?

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Graham: “What is a cynic?”

Darlington: “A man who knows the price of everything and the value of nothing.”

Graham: “And a sentimentalist, my dear Darlington, is a man who sees an absurd value in everything, and doesn’t know the market price of any single thing.”

-- *Lady Windermere’s Fan*, Oscar Wilde, 1892

Climate Change

**The Climate Casino
Risk, Uncertainty,
and Economics for
a Warming World**

by William Nordhaus
Yale University Press, New
Haven, CT, 2013. 392 pp. \$30,
£20. ISBN 9780300189773.

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modest global warming, perhaps even ben-
efit from it. Some scientists don't want to
hear this.

In addition, Nordhaus seems to suggest
that his model undervalues the harms for
unmanaged ecosystems as global warming
and ocean acidification intensify. Econo-
mists have long tried to estimate these values,
but their methods often involve hypotheti-
cal questions such as "What would you pay
to save the polar bears?" Like many econo-
mists, Nordhaus finds the answers "too unre-
liable at present to be used for assessing the
costs of ecosystem effects triggered by rising
CO₂ concentrations and climate change."

So what does he use instead? This is the

these and other risks leads his
model to exhibit rapidly rising
damages beyond 3°C.

Scientists will now be less
unhappy with Nordhaus, but
I doubt they'll be completely
happy. As a hard-nosed econ-
omist, he shows that much of
our economy, including food
production, is highly man-
aged and thus able to handle

one place in an otherwise transparent book
where I couldn't find a clear answer. Nord-
haus says we need more research and that
the value should not be zero. But he doesn't
explain how he chose his values. I was left
with the impression that those polar bears
don't get a fair hearing.

Talent: A Fixed or Variable Pie?

