

Preface

Nearly fifty years ago, in 1968, William Baumol¹ commented that “few topics in our discipline rival the social rate of discount as a subject exhibiting simultaneously a very considerable degree of knowledge and a very substantial level of ignorance.” This book aims to reduce the level of ignorance about the social discount rate, presenting recent advances in the field. Ultimately, the objective is to help build a consensus around the way society should value the future.

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¹ W. J. Baumol (1968), On the social rate of discount, *American Economic Review* (58), 788–802.

Développement Durable, the French Ministry of Ecology, and more recently the U.S. Environmental Protection Agency. I have also benefitted from frequent enquiries and interactions with economists from Electricité de France (EDF), AREVA, and Réseau de Transport d'Electricité (RTE), among others.

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Chapter 8 is derived in part from “The Consumption-Based Determinants of the Term Structure of Discount Rates,” *Mathematics and Financial Economics*, 1 (2) (2007): 81–102.

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Chapter 14 is derived in part from “Discounting and Risk Adjusting Non-marginal Investment Projects,” *European Review of Agricultural Economics*, 38 (3) (2011): 297–324.