Failure and the Future: Comments on Kysar

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"In recent years economic vocabularies and ways of reasoning have dominated the discussion of social issues. Participants in the public dialogue have internalized the neoclassical economic perspective to such an extent that its assumptions and biases have become almost invisible. It is only a mild exaggeration to say that in recent years debates over policies have largely become debates over economics… According to one influential view, the role of regulations and standards is precisely to internalize costs, thus (to echo a parody of our forefathers) "creating a more perfect market…In response to …arguments like the one that I have given, … it is [often] asserted that any analysis is better than none. I think that this is incorrect … A bad analysis can be so wrong that it can lead us to do bad things, outrageous things--things that are much worse than what we would have done had we not tried to assess the costs and benefits at all...[T]he idea of managing global climate change is a dangerous conceit. The tools of economic evaluation are not up to the task. .. [T]he most fundamental reason why management approaches are doomed to failure is that the questions they can answer are not the ones that are most important and profound. The problems posed by anthropogenic global climate change are ethical as well as economic and scientific."[1]

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The passage that I have just quoted is from a lecture that I gave to the AAAS in 1989. It should be obvious from this that my differences with Doug are like those between a violinist and cellist in a string quartet. We are playing different instruments, but together we are making something. I greatly admire Doug's lucidity, creativity, and command of his instrument. He has once again delivered a brilliant essay on the roots of the failure to meaningfully address climate change.

My comments are divided into four parts. In the first part I review the failure to meaningfully address climate change, especially the role of economics. Here I have mostly quibbles and diversions that I can only justify as an offering that may help to enrich Doug's account. In the second part I briefly discuss Doug's positive proposals, using them as a platform to bear down on the role of politics in the failure to addresss climate change. In the third part I

[1] Dale Jamieson, "Ethics, Public Policy, and Global Warming," *Science, Technology, and Human Values* 17, 2 (Spring 1992): 139-153

respond to the organizers' invitation "to write commentaries that, [g]o beyond responding to the principal paper…"

The Autopsy

I agree with Doug about the debilitating role of economics in the climate change discussion, but the history is more nuanced than one might think. The hegemony of economics was not always as central to the discipline's self-conception as it is today. E.J. Mishan, the author of an influential textbook in cost-benefit analysis, first published in 1971 and now in its 6th edition, writes:

> The findings of a cost-benefit study are properly regarded as a contribution to the political decision-making process, a contribution, incidentally, that governments and their public continually demand and whose significance they perhaps tend to overrate.[2]

Paul Samuelson's field-shaping textbook, first published in 1947 and now in its 20th edition, explicitly acknowledges the role of values in shaping the social welfare function. Moreover, Samuelson thinks that in order to draw conclusions for policy one must go beyond the social welfare function and take into account income distribution, an issue on which the Pareto criterion is silent. He goes on to say that process considerations about how an outcome is brought about should also be taken into account in policy-making.[3]

The origin story of environmental economics in the US does run not through Samuelson and MIT, but through applied economics and Resources for the Future. In the wake of Aldo Leopold's *A Sand County Almanac* (1949) and Rachel Carson's *Silent Spring* (1962), John Krutilla, Alan Kneese and their colleagues (mostly from the American West) transformed an inchoate field that primarily focused on resource depletion, and reoriented it around the unpriced and therefore unvalued (from the perspective of economic analysis) damage caused by economic growth. Concepts like "existence value" and "option value" were introduced as a way of valuing wilderness and other aspects of nature that are not priced in markets. These founders were committed environmentalists and sensitive to the ethical underpinnings of their normative views.[4] Rather than using economics to try to establish policy goals, Kneese was especially interested in designing instruments for achieving shared goals. It is reported[5] that when the Atomic Energy Commission asked him to analyze the economic effects of nuclear power, he

[2] This is from Appendix 2 ofo the 5th edition published in 2007. I have not had time to check whether this passage (or something like it) is in earlier or later editions but I suspect that it is. Mishan is primarily remembered as a critic of economic growth.

[3] For a good analysis of Samuelson see Roger E. Backhouse, "Samuelson's Welfare Economics," in Roger Backhouse, Antoinette Baujard, and Tamotsu Nishizawa (eds.), *Welfare Theory, Public Action, and Ethical Values: Revisiting the Theory of Welfare Economics* (New York: Cambridge University Press, 2021). There are a number of other excellent essays in this volume excavating the non-welfarist dimensions of welfare economics.

[4] Krutilla was a trustee of the Environmental Defense Fund and an officer of the Wilderness Society. Kneese co-authored a remarkably comprehensive paper on ethics and economics, a topic that he thought was important enough to put in Part 1, Volume 1 of his three-volume, co-edited (with James L. Sweeney), *Handbook of Natural Resource and Energy Economics* (North-Holland, 1985).

[5] In the obituary in *The Economist*, available at https://www.economist.com/obituary/2001/03/22/allen-kneese

wrote that since the burden of managing the waste would last "essentially forever," no benefit-cost answer can be given.[6]

Influence came early to Nordhaus,[7] and his career coincides with the growing hegemonic ambitions of economics, the entrenchment of positivist methodologies, and the dismissal of the importance of values.[8] It is easy to see these changes by looking at lineages. Nordhaus was a student of Robert Solow, who was a close colleague of Samuelson's. Solow's views about the reach of economics are relatively modest, encased in a commitment to liberal/left politics. A growth theorist by academic specialization, his work is work is quite broad and attuned to contemporary political developments. He began writing about the environment in the early 1970s, often pushing back against catastrophist environmental thinking, in part because he thought it tended to marginalize the traditional liberal agenda. He writes in 1973:

> In the end, that is really my complaint about the Doomsday school. It diverts attention from the really important things that can actually be done, step by step, to make things better. The end of the world is at hand- -the earth, if you take the long view, will fall into the sun in a few billion years anyway, unless some other disaster happens first. In the meantime, I think we'd be better off passing a strong sulfur-emissions tax, or getting some Highway Trust Fund money allocated to mass transit, or building a humane and decent floor under family incomes, or overriding President Nixon's veto of a strong Water Quality Act, or reforming the tax system, or fending off starvation in Bengal- -instead of worrying about the generalized "predicament of mankind.[9]

Solow's student Nordhaus has imperial ambitions for economics (as Doug points out, he mistakes theories about means for theories about ends), and is not tethered to strong, independent, political commitments. From the beginning Nordhaus has had a misplaced concern that we might overreact to climate change and abandon the Pareto-efficient frontier by overinvesting in emissions reduction. This is coupled with a naïve belief in the flexibility and

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[6] A neglected figure in the generation before these founders was Karl William Kapp, who was interested in the broad range of social costs imposed by private enterprise. He rejected the idea that even in principle environmental costs and benefits can be monetized and evaluated in relation to other costs and benefits. For Kapp, environmental policy was a matter of political economy, not benefit-cost analysis. For an attempt to apply his ideas to climate change, see Sebastian Berger, *The Social Costs of Neoliberalism: Essays on the Economics of K. William Kapp* (Nottingham UK: Spokesman Books, 2017).

[7] Philips Academy, Skull and Bones, Sterling Professor of Economics, Provost and then Vice-President of Yale, President's Council of Economic Advisors, etc. etc.

[8] Milton Friedman was the most influential figure in establishing these prejudices though it is not clear that they are really best characterized as "positivist." Friedman's methodological influence did not land as hard in the UK, and the heart of the dispute in climate economics between the American Nordhaus and the British Stern concerns their profoundly different attitudes towards values.

[9] "Is the End of the World at Hand?", *Challenge*, Vol. 16, No. 1 (MARCH/APRIL1973), pp. 39-50

responsiveness of the US political system and policy regimes. He takes seriously the idea that we can party on for a couple of decades, and then turn down the carbon spigot.[10]

Thus far I have simply been adding bells and whistles to Doug's account, which he may or may not find welcome. But in my opinion there is something else that is important in explaining why the patient died: When conventional economic theory hits climate change (as opposed to resource depletion or traditional pollution problems), the theory explodes.[11] The simplest way I can make this vivid is to say that if we take Stern's most extreme estimate of climate change damages, considered to be irresponsible fearmongering by most sober-minded American economists, people in 2200 will only be 8 times richer than people today. When viewed from this perspective, climate change hardly seems like a climate emergency.[12]

But I go further than Doug. It's not just conventional economics that explodes in the face of climate change, but all of our systems of practical reason including commonsense morality and common law legal systems.[13] The problem, in my view, is that climate change is an unprecedented problem that we are not wired up to successfully confront; and the systems of practical reason that we have constructed have not developed and evolved to help us make our way through such problems. I have said a great deal about this elsewhere but must put this aside for now.[14]

Carbon Upsets and Reducing Inequality

I agree, at least in principle, with Doug's positive proposals, and will not say much about them in detail. Instead I will use them as a platform to assert the importance of politics.

If one thing is clear from Doug's paper (especially when supplemented by my bells and whistles), smart people have been assembling arguments against (let's just call it) Nordhaus-style climate economics for decades. Yet, it seems that the stronger the arguments become, the more we find ourselves living in an economistic funhouse. Even when we make friendly-face policy proposals that separate economic instruments from economistically-determined ends (as Doug does with his two proposals), these good will offerings do not gain traction. In *Global*

[10] Nordhaus's views should not be confused with those of another Nobel Prize winner in economics who was often skeptical about aggressive climate action. Thomas Schelling thought that optimization models are useless in thinking about climate change, and that emissions reduction programs should be thought of as foreign aid to developing countries and to future generations. His skepticism was rooted in the belief that there are more effective foreign aid programs than reducing our own emissions. Schelling was a remarkably nimble thinker, and later in life advocated rich countries taking the lead in reducing emissions. For references and discussion see my discussion in Chapter 4 of *Reason in a Dark Time: Why the Struggle to Stop Climate Change Failed and What It Means for Our Future* (New York: Oxford University Press, 2014).

[11] Alan Kneese seems to have realized this, given his view of the economics of nuclear power; and, as far as I know, he never wrote about climate change, though he lived until 2001.

[12] I discuss this further in *Reason in a Dark Time*, Chapter 4.

[13] Though there are valiant effort to make the legal system work in the face of climate change. Doug provides some interesting theoretical grounding in "What Climate Change Can Do About Tort Law," *Environmental Law*, Vol. 41, No. 1, 2011.

[14] See *Reason in a Dark Time*, especially chapters 1-5.

Warming in an Unequal World, the remarkable 1991 report that Doug cites as a critique of neo-liberalism, the authors' actually advocate "tradeable emissions quotas."[15] The key to making such a system just is in the rules governing trading and the allocation of permits.[16] Ideas that are similar to Doug's "carbon upsets" have been previously discussed under much less winning rubrics and less well anchored in theories of justice. They too have failed to get traction. But this may be the most sobering story. On July 28, 1988, Senator Tim Wirth of Colorado introduced a bill with 18 co-sponsors from both political parties calling for a 20% reduction in carbon dioxide emissions from 1988 levels by the year 2000. Even with all the chaos and litigation that would have ensued, we would be living in a very different and almost certainly better world had this bill passed.

So what is the problem? In a word, it is politics. The political resistance in the US to taking climate action is almost as much a brute fact as the changes occurring in the climate system. This resistance was already taking shape when Wirth introduced his bill. Within 18 months after its introduction, the *Washington Post*, *Wall Street Journal*, and *New York Times* had all published major articles expressing skepticism about global warming and downplaying its significance. Doug writes powerfully about the fact of inequality as a problem to overcome but, in my opinion, there is an even greater obstacle to action: the love of inequality.[17] The rich and powerful act to maintain their power and privileges even if this means less aggregate welfare (in such cases concern about wandering from the Pareto-optimal frontier seems to wane). If Doug and I have a disagreement it is about the relative importance of economistic ideology and political power. They are independent, causally efficacious and interactive forces, but in my opinion it is the politics that drives the bus. [18] Even so, normal injustice is one thing, but it is in the face of problems such as climate change that things really blow up.

<u>We're Doomed, Now What?[19]</u>

As careful readers will have noticed, I am not optimistic that we are going to do something soon to dramatically reduce emissions. Still, it is important to keep throwing mud at the wall (as they say); some bits will stick and make a difference, though it's hard to know what bits, since it is opportunism and advantage rather than argument that will largely determine what sticks. But over a matter of decades or centuries the global economy will decarbonize, and, if we are fortunate, in centuries or millennia the Earth's climate system will reach some equilibrium that humanity can tolerate. As scholars, the most important questions we face now

[15] P. 19

[16] I promoted this idea to no avail in "Climate Change and Global Environmental Justice, " P. Edwards and C. Miller (eds.), *Changing the Atmosphere: Expert Knowledge and Global Environmental Governance* (Cambridge: The MIT Press, 2001): 287-307. Peter Singer got a little more traction in *One World: The Ethics of Globalisation* (New Haven: Yale University Press, 2002).

[17] Shout-out to St. Paul (1 Timothy 6:10)

[18] Doug seems to suggest otherwise when he writes on page 4 that "[g]uided by such a way of thinking, it is perhaps not surprising that government leaders in the United States have achieved precious little in terms of domestic climate change legislation." Perhaps we could substitute, "guided by those who finance their campaigns and fly them around in private planes. While both matter, in my opinion the problem is not so much economistic ways of thinking as the exercise of brute economic and political power.

[19] The title of this section title is pirated from a recent book by Roy Scranton.

are not about how to reduce GHG emissions, but what can we do to ameliorate the fate of humans, other animals and the rest of nature as we live through the catastrophe. The devastation will be enormous and to a great extent unpredictable, but there can be better or worse catastrophes and more or less individual and societal resilience, so it matters what we do on many different fronts.[20]

Politically, the same forces that are driving climate change and other expressions of the Anthropocene—technology, demographic instability, increasing consumption and their consequences—are putting pressure on every system of governance. Liberal democracy is both rarer and less resilient than is often appreciated. Moreover, climate change exploits vulnerabilities that are intrinsic to liberalism and democracy. In addition, the failure of liberal democracies to effectively deal with climate change magnifies the risks. Protecting liberal democracy, and preserving its values in whatever form they can take in the Anthropocene is an enormous challenge that we already face.[21]

In addition to threatening our political systems, climate change will remake the world, rupture our time horizons, erode our commitments to long-term projects, and damage our hopes for our children and their futures. The existential risk of climate change engages one of the most primeval fears of humanity: the fear of chaos and disorder. In threatening cultural death, it confronts us with the terrifying fact of our own inevitable demise. Yet life is intrinsically tragic, and we make meaning from confrontation with horror as well as from joy. Recovery from the worst can often be surprisingly rapid, whether it is death of a loved one or the collapse of a civilization. Only three years after the allies entered the smoking ruins of Berlin, the German "economic miracle" was underway; fifteen years after Roberto Rosselini depicted the daily struggle for food and shelter in *Rome: Open City*, Federico Fellini was portraying the jadedness of Roman life in *La Dolce Vita*. Our propensity to forget is both a blessing and a curse. I say this not to provide comfort, but to state a fact. There will be love in the Anthropocene—democracy and liberalism, I'm not so sure.[22]

Conclusion

From my point of view what is most important about Doug's paper is that it is a call to be a climate dissident. The ways that we as scholars and as a society have thought about climate change have been both inefficacious and evasive. We cannot address the misunderstood risks of climate change without centering the destruction and disempowerment already imposed by existing institutions and reinforced by conventional modes of thought. Nor can we hide behind the rhetoric of "tipping points" and "the last chance to save the planet" as if the Lone Ranger may yet intervene in the person of a sagacious scientist, a worldly philosopher,

[20] See Andrew Boyd, *I Want A Better Catastrophe*.

[21] I have developed these arguments in detail in a series of papers with Marcello Di Paola. See "Political Theory in the Anthropocene," in D. Held and P. Maffetone (eds.), *Global Political Theory* (Cambridge UK: Polity Press, 2016): 254-280; . "Climate Change, Liberalism, and the Public/Private Distinction," in Mark Budolfson, Tristram McPherson, and David Plunkett (eds.), *Philosophy and Climate Change* (Oxford: Oxford University Press): 370-395; "Climate Change and the Challenges to Democracy," *University of Miami Law Review* 72 (2018): 369-424

[22] I discuss some of these themes further in "The Misunderstood Risks of Climate Change," *Iride: Journal of Philosophy and Public Debate* 20,2 (2020): 229-236.

or a charismatic political leader. Once we face these facts, the real conversation can begin. Thanks to Doug for helping us to start it.