

John Broome, "The Ethics of Climate Change"

"What should we do about climate change? The question is an ethical one."

"When interests conflict the questions are ethical ones."

- Rich versus poor
- Living versus future
- Humans versus Non-humans

Elementary moral principle:

First, do no harm
No harm principle
Do unto others

“you should not do something for your own benefit if it harms another person.”

Those who benefit from some course of action should not impose the costs of that course of action on others who do not benefit.

Harms

- Heat waves
- Tropical Diseases
- Changing rainfall patterns
- Large-scale human migrations
- Ocean acidification
- Loss of biodiversity
- and more

Costs and Benefits of Mitigations

- What are some of the costs?
- What are some of the benefits?

Ethics of Costs and Benefits

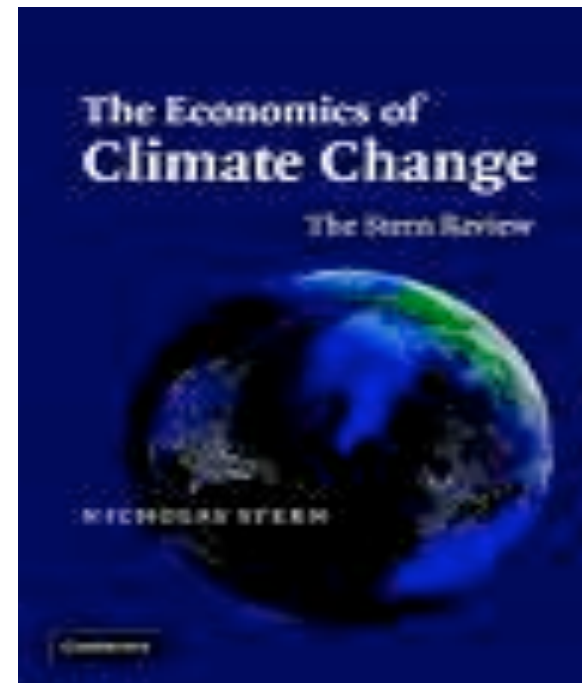
Weighing the cost to some people versus the benefits to others is an ethical matter.

What are the costs of mitigating climate change and who will pay those costs?

What are the benefits of mitigating climate change and who will receive those benefits?

The Stern Review

The benefits of mitigating climate change will far outweigh the costs.



Strong Reactions:

First, some economists think economic conclusions should not be based on ethical premises.

Second, the review favors strong and immediate action to control emissions, whereas other economic studies, such as the one by William Nordhaus, have concluded that the need to act is not so urgent.

Discount Rate

“The discount rate measures how fast the value of goods diminish with time.”

“Economists generally value future goods less than present ones.”

Low discount rate favors urgent action on climate change

High discount rate favors slow or no action on climate change

Economics and Ethics

Discount Rate:

- Nordhaus chooses a discount rate of roughly 6 percent
- 2.5 billion worth of goods today = 1 trillion in 100 years
- No need for urgent action

- Stern chooses a discount rate of 1.4 percent
- \$247 billion worth of goods today = 1 trillion in 100 years
- Need for urgent action

Two ethical theories:

“Diminishing marginal value”

- Utilitarianism: benefits have the same social value whoever receives it. This justifies a lower discount rate.
- Prioritarianism: Give priority to the least well off. \$100 of benefit to a poor person should have greater social value (given priority in social decision making) than \$100 of benefits to a rich person. This justifies a higher discount rate.

Discount rate and 2 ethical questions

- 1. Which should we accept: prioritarianism or utilitarianism?
- 2. Should we adopt a pure discounting or be temporally impartial?

Market and Discount Rates

Stern's choice of discount rates is based on ethics.

Some market decisions are appropriately a matter of taste (apples and oranges). "But the value that should be attached to the well-being of future generations is not determined by tastes. It is a matter of ethical judgment."

Consumers and Citizens

Market forces and Democracy

“The economists who criticize Stern claim the democratic high ground and accuse him of arrogantly trying to impose his own ethical beliefs on others. They misunderstand democracy. Democracy requires debate and deliberation as well as voting.”

“Ethical considerations cannot be avoided in determining the discount rate.”