CLIMATE ETHICS AND CLIMATE ECONOMICS
A 2014 ECPR Joint Sessions Workshop

Workshop Convenors
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Outline of Topic
How much, if at all, should we discount the future? How should we aggregate gains to some and losses to others? How should we act under conditions of uncertainty? Climate change raises common issues for political theorists, philosophers and economists. But as the debate over the 2006 Stern Review on the Economics of Climate Change showed, the disciplines take distinctly different perspectives. This workshop will bring together political theorists and philosophers with an interest in climate economics, and economists interested in climate ethics.

Climate policy is heavily influenced by economic policy advice, and thus by the methodology and mindset on which this advice is based. However, the models used by economists for analysing climate change have been developed for tackling smaller scale problems than climate change. Applying conventional methods to problems such as climate change brings foundational problems to the surface. In particular, it has become clear that the policy advice of climate economists is highly sensitive to certain basic normative assumptions. Discussing these issues has not proven to be easy in the past. While the technicalities involved in climate economics constitute an obstacle for political theorists, the non-consequentialist aspects of some strands of ethical thinking are alien to practitioners of climate economics steeped in traditional economic paradigms. ‘[N]either side of the "discount rate debate" that has taken place in the last two years in the economics journals’, John Roemer observed recently, ‘challenges utilitarianism as an ethical view….Although Rawls mounted a pervasive critique of utilitarianism, this seems to have had little effect on economists….’ (2011: 376). Building bridges and enabling mutual understanding is not only exciting but is also essential for giving policy-makers and the public a better grasp of what is involved in the advice and models of climate economics.

Climate change drives not only economics to its limits but also political theory. Certain old and also new questions of political theory are made salient by climate change in particularly stark terms. This includes questions of intergenerational justice, risk and uncertainty, global justice, demandingness, the relation between humans and the rest of nature, and aggregation.

Relation to existing research
Both the Stern Review and the Assessment Reports of the Intergovernmental Panel on Climate Change have sought to integrate economic and philosophical perspectives. This is not yet a thoroughly explored field and thus the literature is still manageable. While there has been some dialogue between the disciplines, mutual understanding is still very insufficient.
Types of papers sought

We wish to attract papers that speak to both ethicists and economists. These would be mostly theory papers or papers that integrate theory and empirical results. Some of the issues on which we would welcome proposals include the following:

**Intergenerational Justice: Discounting.** The question of whether to discount future gains and losses, and if so, at what rate, has lain at the centre of contemporary debates over climate change. The Intergovernmental Panel on Climate Change has cited it as the second most important factor in assessing climate change’s effects (Weisbach and Sunstein 2008: 441). Is there a case for discounting different types of benefits at different rates (Weikard and Zhu 2005)? Could the reasons that are typically given in support of a positive discount rate also lead to other conclusions (Parfit 1987, Appendix F)? Are there frameworks for thinking about intergenerational justice that can do without determining a discount rate (Cowen and Parfit 1992; Caney 2008)? Can discounting not only be applied to wealth, commodities, and utility but also to the rights of future generations (Meyer and Roser 2012: 195; Caney 2008)? Is pure time preference irrational and what does the rationality of discounting imply for the morality of discounting (Cowen and Parfit 1992: Arrow 1999)? Some argued that the Stern Review went wrong not in according too much weight to future generations’ interests, but rather in giving too little weight to distributive considerations. What can be said from a moral perspective about the less discussed aspect of the Ramsey equation: the elasticity of marginal utility? Is adjusting it an alternative to pure time discounting (Dasgupta 2007, 2008)?

**Intergenerational Justice: Borrowing from the future.** Is it justifiable to mitigate climate change and to pass on the bill to future generations, as some have recently proposed (Foley 2007; Rendall 2011; Broome 2012)? If so, how could this be achieved in practical terms?

**Intergenerational Justice: Rising Welfare.** That future generations will be better off than the current one is often cited as a justification for discounting the future. How strong is the empirical foundation of this assumption (Brennan 2007; Tremmel 2009)? Can we legitimately impose climate-related harms on future generations on the ground that they will be compensated through economic growth (Beckerman and Pasek 2001; Nordhaus 2008; Davidson 2008)? To what extent can increases in manmade resources compensate for natural losses (Neumayer 1999)? How can and should public policy affect the welfare level of future generations given the argument that private saving decisions can always counteract any policies directed at affecting the welfare level of future generations (Weisbach and Sunstein 2009: 453)?

**Intergenerational Justice: Further Questions.** What should take priority in case there is a trade-off between promoting intergenerational justice (mitigating climate change) and global justice (distributing the mitigation burden fairly) (Hohl and Roser 2011)? Is cost-effectiveness in the fulfilment of the demands of intergenerational justice not only a matter of prudence but also a matter of morality (Moller 2006: 244)? How should we deal with the fact that some of the most important type of goods we can bequeath to future generations – such as just institutions (Beckerman 1997: 403) – are not easily captured in economic models and simplistic philosophical models of intergenerational justice?

**Aggregation.** How to balance benefits to some against costs to others is a central problem of ethics and political theory. How should we aggregate gains and losses between generations
(and is effecting a just distribution of costs and benefits within future generations the responsibility of present generations at all)? These theoretical problems, already noted by Koopmans (1967: 8-9) and Rawls (1971/1999: 253), became a practical policy dispute as critics charged that the Stern Review’s discount rate implied an absurdly high optimal rate of investment (Nordhaus 2008: 182-83; Dasgupta 2007:6). Given the vast number of our potential descendants, must we discount future gains and losses to avoid being tyrannized by the future (Arrow et al. 1996: 137; Caney 548-49)?

**Risk and Uncertainty: Methodological Questions.** Anthropogenic climate change involves much higher levels of uncertainty than more conventional threats (Weitzman 2011). Are the uncertainties too large to glean any useful results from economic models that span many decades? How valuable is the distinction between risk and uncertainty? What notion of probability should be used when interpreting probabilistic claims made by scientists, economists, and policy makers (Elster 1979; Hansson 1996; Hansson and Johanneson 1997)?

**Risk and Uncertainty: Moral Questions.** At least since Hans Jonas’s *The Imperative of Responsibility* (1981), some have argued that even low-probability existential risks should be treated in a fundamentally different way. How should we act when we believe that there is some chance of a catastrophe, but lack the ability to make reliable probability estimates (Elster 1979; Haller 2002; Gardiner 2005)? How much should we worry about worst-case climate-change scenarios? What policy should we adopt when experts disagree about whether catastrophe is possible (Jonas 1981; Weitzman 2009; Nordhaus 2011; Weitzman 2011)?

**Carbon Trading.** Carbon trading is a prime example of the market mechanism expanding its realm to new areas. Some of the more critical voices have surprisingly come from the economic rather than ethical side (Spash 2010; Caney 2010). This brings up the question whether there are fundamental objections to carbon trading from a moral point of view (Aldred 2012) or whether any remaining objections have to do with practical challenges of implementing a smoothly working carbon market. If the latter is the case, should these practical challenges be seen as a temporary ‘non-ideal’ feature of current institutions or as a lasting feature to be taken as a given for climate policy?

**References**


Norton.
Rendall, Matthew. 2011. Climate change and the threat of disaster: the moral case for taking
out insurance at our grandchildren’s expense. Political Studies 59(4): 884-99.


Biographical notes and contact details

Matthew Rendall is Lecturer in Politics and International Relations at the University of Nottingham, and works on climate ethics and moral philosophy. His latest publications are ‘Climate Change and the Threat of Disaster: The Moral Case for Taking Out Insurance at Our Grandchildren’s Expense’ in Political Studies, and ‘Priority and Desert’ in Ethical Theory and Moral Practice.

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