

Climate Mitigation Isn't Just A Matter Of Ethics; It's Life And Death



*James K. Boyce -
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The climate crisis worsens with each passing year — and even the current levels of warming are disastrous, affecting ecosystems as well as social and environmental conditions of health. People in the world's poorest countries remain most vulnerable to the crisis. The world's governments are slow to react to the greatest challenge facing humanity today, even though potential solutions are not in short supply, with the transition to a green economy offering the most effective pathway to tackling the problem of global warming at its roots.

There are, in addition, intermediate steps that can be taken toward climate stabilization, such as carbon pricing and even the adoption of a universal basic income scheme as a means to counter the effects of global warming. Meanwhile, policy frameworks for climate adaptation are urgently needed, as renowned economist James K. Boyce points out in this interview. Boyce is professor emeritus of economics and senior fellow at the Political Economy Research Institute of the University of Massachusetts at Amherst. He received his PhD in economics from Oxford University and is the author of scores of books, including,

most recently, *The Case for Carbon Dividends* (2019) and *Economics for People and the Planet* (2021). He received the 2017 Leontief Prize for Advancing the Frontiers of Economic Thought.

C.J. Polychroniou: The climate crisis is the biggest problem facing humanity in the 21st century. In the effort to avoid a greenhouse apocalypse, competing approaches to climate action have been advanced, ranging from outright technological solutions to an economic and social revolution as envisioned in the Green New Deal project and everything in between. Two of those “in between” approaches for cutting carbon emissions are cap-and-trade, a system already implemented in the state of California, and carbon pricing and carbon dividends, which is the approach you are advocating. Why do we need to put a price on carbon? How does carbon pricing work, and what are its benefits?

James K. Boyce: First, let me say that I do not think it is useful to invoke the language of a coming “apocalypse.” It’s a vision with a lot of historical baggage, much of it downright reactionary, as my partner Betsy Hartmann explains in her book, [The America Syndrome: War, Apocalypse, and Our Call to Greatness](#) (Seven Stories Press, 2019). It misrepresents the climate crisis as a cliff edge, an all-or-nothing question akin to nuclear war, as opposed to an unfolding process that has ever-worsening consequences for humans and other living things. And it can instill a sense of despair and hopelessness that is deeply counterproductive. I agree with the late Raymond Williams that the task of the true radical is “to make hope possible, not despair convincing.”

Something similar can be said about the contrast between technological fixes and revolutionary transformations. Economic and social revolution is a process, too, not a one-off affair. Technological change can help to propel institutional change, and vice versa, and often there is an intimate connection between the two. I do not think we will solve the climate crisis with new technologies alone. The transition to a clean energy economy will require profound changes not only in how we relate to the natural world but also in how we relate to each other. I have argued that it will require a narrowing of inequalities and a deepening of democracy. But it would be folly to sit aside, waiting for social and economic revolution, before tackling the climate problem.

Cap-and-trade and carbon dividend policies both put a price on carbon. Instead of being able to dump carbon into the atmosphere free of charge (more precisely,

free of monetary charge, since nature is charging us big time), pollution would carry a price tag. But there are crucial differences between these two policies. Cap-and-trade gives free pollution permits to corporations, up to the limit set by the cap. Consumers feel the bite in higher prices for transportation fuels, heating and electricity, just as they do when the oil cartel restricts supplies. The extra money they pay goes as windfall profits into the coffers of the corporations that received free permits. This may blunt political opposition to a carbon price from fossil fuel lobbyists, but their first preference remains no cap at all, as was shown in the repeat debacles of efforts to pass cap-and-trade bills in Washington, D.C. in the first decade of the century.

Carbon dividend policies put a price on carbon, too, either via a cap with auctioned (not free) permits or by means of a tax. But instead of fueling windfall profits, the money from higher prices goes directly back to the public in equal per-person payments, consistent with the principle that we all own the gifts of nature — in this case, the limited capacity of the biosphere to absorb carbon emissions — in common and equal measure. As I discuss in my book, [*The Case for Carbon Dividends*](#) (Polity Press, 2019), this is an example of universal property. The right to receive carbon dividends cannot be bought or sold, or accumulated in a few hands, or owned by corporations. Universal property is individual, inalienable and perfectly egalitarian. This new kind of property, which is more akin to traditional common property than to private property or state property, could be a cornerstone for what is sometimes called “libertarian socialism.”

It’s not that we simply need to put a price — any price — on carbon, although anything is better than the prevailing *de facto* price of zero. What we need to do is to keep the fossil fuels in the ground, to curtail their extraction at a pace and scale ambitious enough to stabilize the Earth’s climate by the middle of the century. This is the goal of the Paris Agreement. In practice, it means that high-consuming countries, like the United States, must cut their use of fossil fuels by about 8 or 9 percent per year, year after year, between now and 2050. The easiest way to arrive at the “right” price on carbon is to cap the amount of fossil fuels we allow to enter our economy to meet this trajectory. For each ton of carbon they sell, fossil fuel firms would have to surrender a permit. They would buy permits (up to the limit set by the cap that tightens over time) at auctions. This is not rocket science. Quarterly auctions have been held since 2009 under the Regional Greenhouse Gas Initiative for power plants in the northeastern states of the U.S.

The carbon price comes about as a side effect of keeping fossil fuels in the ground, not as an end in itself.

In addition to climate stabilization, a side benefit of carbon dividends is that they would take a modest step toward reducing economic inequality, which has reached obscene levels in the U.S. and many other countries. Most households would come out ahead financially with carbon dividends, receiving more in dividends than they pay in higher fuel prices, for the simple reason that their carbon footprints are smaller than average. High-income households with their outsized consumption of carbon, and everything else, would pay more than they get back, but they can afford it.

You have also argued for a universal basic income as a solution to inequality and the effects of global warming. How would a universal income be funded, and would it be an addition to existing welfare programs or a replacement for them?

Correction: Universal basic income can be *part of* the solution. Guaranteed employment can also be part of the solution, and as my colleagues Bob Pollin and his coauthors have shown, the clean energy transition will generate [millions of jobs](#). The extent to which existing welfare programs become redundant would depend on how much money we're talking about. A big advantage of universal income, compared to means-tested welfare payments, is that it unites society rather than dividing it between the welfare-eligible poor and everyone else. Universality helps to ensure political durability, as we've seen with Social Security and Medicare here in the U.S.

For universal basic income, a key question is how to pay for it. Most proposals rely on government funding. But redistributive taxation can be a heavy lift, and its durability is never certain since it depends on the vagaries of party politics. This is one reason I favor universal property as a source of universal basic income [universal property refers to the idea of a universal birthright to an equal share of co-inherited wealth]. Carbon dividends are one example. In his new book, [Ours: The Case for Universal Property](#) (Polity Press, 2021), Peter Barnes discusses a number of other possibilities.

We now know that dramatic mass climate catastrophe is inevitable, especially for mega-cities and coastal populations. What are the sorts of changes (involving migration, changes in how cities are structured, changes in how nations relate to

each other, technologies, etc.) that could help humans as a global community weather these catastrophes without massive human deaths? And what are the sorts of pressures and dynamics (protests, legislation, international cooperation) that would actually make these changes imaginable to implement in time?

Every year that passes without serious policies to keep fossil carbon in the ground, where it belongs, increases the suffering that climate change will inflict. Coastal populations will be among the most seriously affected, but they will not be alone. Drought-prone regions in Africa, for example, are at grave risk, too.

Not long ago, proponents of action to halt climate change (“mitigation” in the official lingo), including many governments in the Global South, were averse to discussing adaptation, fearing that it would let the big polluters off the mitigation hook. Times have changed. Today, the need for adaptation is urgent and undeniable. The key questions are how adaptation resources will be allocated across and within countries, and who will foot the bill.

In principle, the 1992 Framework Convention on Climate Change, an international treaty which today has near-universal membership, addresses the “who will pay” question by saying that countries will contribute “in accordance with their common but differentiated responsibilities and respective capabilities.” The advanced industrialized countries bear greater responsibility and have greater capabilities, so they should pay for adjustment costs accordingly. Whether and to what extent this principle will be translated into concrete action remains an open question. So far, the results have not been encouraging.

The issue of how scarce resources for adaptation will be allocated — and whatever happens, they will be scarce relative to needs — is a critical question that has yet to receive much serious attention. If allocation obeys the default setting prescribed by neoclassical economics, the lives and properties of richer people will get priority over those of the poor because that the rich have greater ability (and hence willingness) to pay. Sea walls will be constructed to protect the “most valuable” real estate in Manhattan and Mumbai, for example, diverting flood waters to the locales where poor people live. In my view, this would be a travesty, adding injury to insult. If we believe that a clean and safe environment is a human right, not a commodity that should be allocated on the basis of purchasing power, then adaptation policies ought to prioritize those at greatest

risk regardless of their ability to pay. Protests, legislation, international cooperation — all of these will be needed to make this happen. This is not just a matter of economics and ethics; it's a matter of life and death.

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