Cosmopolitanism and an ecological basic income

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Questions

• What is the just distribution of the costs of climate change mitigation?
• How might a basic income be part of a cosmopolitan policy on climate change?
Justice

• **Statism**: distributive justice applies only within states (Rawls; Nagel)

• **Full Cosmopolitanism**: distributable goods (wealth, income, etc.) are shared fairly across the globe, not just within states (Pogge; Moellendorf; Van Parijs)

• **Partial Cosmopolitanism**
  – Applies only to a discrete practice, e.g., **fairly sharing the benefits and burdens of climate change mitigation**
  – Acceptable to statists; a step for full cosmopolitans
Carbon budgets for the Earth (from 2014)
Carbon budget: **2.6--3.4 tonnes CO2/person/year**

- To stay below 2 degrees C
- Carbon budget (785--1010 billion metric tons [from 2014])
- Divide by world population.
- 80% over the next 30 years (leaving only 20% for the last half of 21\textsuperscript{st} C, and getting to 0 net carbon)
- Divide by 30 to get the annual budget per capita over 30 years
Per capita CO2 emissions 2014, compared to **3 tonne** budget

- Global average: **5 tonnes**
- US: **16.5**
- Canada: **15.1**
- Mexico: **3.9**
- China: **7.5**
- EU: **6.4**
- Finland: **8.7**
- India: **1.7**
- Sub-Saharan Africa: **.8**
Principles for fair allocation of the carbon budget

A. Equal per capita shares (P. Singer)

B1. Polluter Pays (Responsibility)
B2. Ability to pay (Capacity)

B1+B2 (Caney; EcoEquity)
Settings: 2°C, 1990, $7500 development threshold
World to 2030
World, by 2030

World baseline to 2030
Required mitigation

World ‘fair share’

As tonnes per capita

% below baseline

Costs per capita for global mitigation & adaptation
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>World 1990 emissions</td>
<td>22,398 MtCO₂</td>
</tr>
<tr>
<td>World emissions allocation, projected to 2030</td>
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</tr>
<tr>
<td>as tonnes</td>
<td>28,703 MtCO₂</td>
</tr>
<tr>
<td>as tonnes per capita</td>
<td>3.4 tCO₂/cap</td>
</tr>
<tr>
<td>as percent of 1990 emissions</td>
<td>128%</td>
</tr>
<tr>
<td>as percent above 1990 emissions</td>
<td>28%</td>
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</tbody>
</table>
Country/region report in 2030 for United States

Show settings
US baseline to 2030
Required mitigation

Share of Global responsibility

US ‘fair share’
As tonnes per capita

% below baseline

Costs per capita for global mitigation & adaptation
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States 1990 emissions</td>
<td>5,101 MtCO₂</td>
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<tr>
<td>United States emissions allocation, projected to 2030</td>
<td></td>
</tr>
<tr>
<td>as tonnes</td>
<td>599 MtCO₂</td>
</tr>
<tr>
<td>as tonnes per capita</td>
<td>1.7 tCO₂/cap</td>
</tr>
<tr>
<td>as percent of 1990 emissions</td>
<td>12%</td>
</tr>
<tr>
<td>as percent below 1990 emissions</td>
<td>88%</td>
</tr>
</tbody>
</table>
India

Country/region report in 2030 for India

Show settings

MtCO₂

1990 2000 2010 2020 2030

0 2,000 4,000 6,000
India to 2030

India baseline to 2030

Required mitigation

India’s share of global Responsibility/Capacity

India’s ‘fair share’

As tonnes per capita

% below baseline

Costs per capita for global mitigation & adaptation
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>India 1990 emissions</td>
<td>691 MtCO₂</td>
</tr>
<tr>
<td>India emissions allocation, projected to 2030</td>
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</tr>
<tr>
<td>as tonnes</td>
<td>4,336 MtCO₂</td>
</tr>
<tr>
<td>as tonnes per capita</td>
<td>2.9 tCO₂/cap</td>
</tr>
<tr>
<td>as percent of 1990 emissions</td>
<td>628%</td>
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<tr>
<td>as percent above 1990 emissions</td>
<td>528%</td>
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</table>
Finland

Country/region report in 2030 for Finland

Show settings

MtCO₂

1990  2000  2010  2020  2030
## Finland to 2030

<table>
<thead>
<tr>
<th>Description</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland baseline to 2030</td>
<td></td>
</tr>
<tr>
<td>Required mitigation</td>
<td></td>
</tr>
<tr>
<td>Share of Global responsibility</td>
<td></td>
</tr>
<tr>
<td>Finland’s ‘fair share’ of emissions reductions</td>
<td>11.1 tCO₂/cap, 110%</td>
</tr>
<tr>
<td>As tonnes per capita</td>
<td></td>
</tr>
<tr>
<td>% below baseline</td>
<td></td>
</tr>
<tr>
<td>Costs per capita for global mitigation &amp; adaptation</td>
<td>$605</td>
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</table>
Finland 2030 compared to 1990

<table>
<thead>
<tr>
<th>Finland 1990 emissions</th>
<th>57 MtCO₂</th>
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<tbody>
<tr>
<td>Finland emissions allocation, projected to 2030</td>
<td></td>
</tr>
<tr>
<td>as tonnes</td>
<td>-5.6 MtCO₂</td>
</tr>
<tr>
<td>as tonnes per capita</td>
<td>-1.0 tCO₂/cap</td>
</tr>
<tr>
<td>as percent of 1990 emissions</td>
<td>-9.8%</td>
</tr>
<tr>
<td>as percent below 1990 emissions</td>
<td>110%</td>
</tr>
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</table>
The wealthier countries are the laggards
What does this have to do with UBI?

- Enormous cash transfers
- These may be more or less targeted… least targeted = UBI
- **Challenge:** isn’t there a stronger case for targeting transfers on emissions reductions?
- Are there ways that less targeting, even UBI, could be an integral part of a global emissions reduction policy?
Carbon tax (or cap) and dividend

• Carbon tax: a likely policy in any effective effort to reduce carbon emissions
• Regressive, hence unfair, and politically difficult
• Dividend—a partial UBI: rectifies the unfairness, and makes the tax more politically feasible
• Significant?....a little cash can go a long way
Example: Indian UBI pilot

200 rupees/month/adult, = US$3.75/month or $45/year, about 30% of subsistence (and half for children)

Results…improvements in medication, education spending, school attendance, infrastructure, more economic activity, savings…

How might such a UBI be funded nationally?
Global poverty reduction

• Resource taxes

What contribution might resource dividends—universal unconditional cash payments like the PFD—make toward the eradication of extreme poverty?

Paul Segal (2012) :“if all developing countries were to implement [a resource dividend] then global poverty would be better than halved.”
India

- Rents % of GDP: 4.9
- **RESOURCE DIVIDEND, monthly:**
  - 2005 prices: $2.90 ($34.80/year)
  - rural: $11.10 (PPP$)
  - urban: $7.30 (PPP$)
- Current poverty headcount, million: 455.4 (<PPP$1.25/day)
  - 41.6%
- Poverty headcount with RD, million: 247.8
  - 22.6%
- Gini, current: 34.9
- Gini, with RD: 29.8

  - Segal 2012
An Indian Carbon Emissions tax

• If all of India’s carbon dioxide emissions (2.5 billion tons) were taxed at $20 per ton, and distributed as a per capita dividend, the dividend would be more than Segal’s resource dividend (not counting reduced emissions): $37/person/year and rising

• Over time: tax is ratcheted up, but emissions decline; dividends will rise, then decline
Global carbon fee & dividend

• India emits only 6.8% of the over 30 billion tons of CO2 emitted globally per year.
• US: 4% of the world’s population, 14% of the CO2 emissions (and much more per capita than most other countries; a much higher percentage of historical emissions (nearly 30 percent between 1850 and 2000)
• a **global carbon tax of $20/ton** on CO2 emissions
• An annual dividend globally of **$97 per person** (about twice the dividend of the Indian pilot BI).
• Greater in India than a national carbon tax or resource dividend alone.
Political difficulty

• a globally egalitarian policy would probably weaken support for carbon taxing in affluent countries like the US, where a $20 per ton carbon tax could otherwise be used for a per capita annual dividend nationally of $320 (again, not discounting for declining emissions)
50% national dividend, 50% global: per capita shares

• US: $160 (half of national carbon tax) + 49 (global dividend) = $209/person/year

• India: $19 (half of national carbon tax) + 49 (global dividend) = $68/person/year (1.5x the Indian pilot BI)
Is this the best use of the carbon tax revenue?

• UBI, by reducing poverty, could help slow population increase (?)

• Pair UBI with other policies
  – Education
  – Subsidies
Fertility rate and GDP per capita
Why not global egalitarianism?

• i.e., why not bring everyone up (or down) to an equal share of resources? (a long-term goal)

• 1. The current average is unsustainable.

• 2. Equality of resources is not necessary

• 3. Equality of opportunity for a flourishing life.
  – Does not require equal resources; or growth above a threshold
Life satisfaction and GDP per capita
USA: rising income; happiness unchanged

Figure 3.5. Economic growth and happiness. American’s average buying power has almost tripled since the 1950s, while reported happiness has remained almost unchanged. (Happiness data from National Opinion Research Center General Social Survey; income data from Historical Statistics of the United States and Economic Indicators.)
Critique of subjective happiness as measure of well-being

• Adaptive preferences → appeals to subjective happiness fail “to address problems of inequality both within and across generations.” (O’Neill 2018)

• More objective measures of well-being are needed (longevity; literacy; capabilities, etc.); equal opportunity for a flourishing life
“Prosperity beyond growth”

• Return to Aristotelian/Epicurean idea that there is a limit to the quantity of goods needed to live well.
• Will require income security not premised on higher wages in a growing economy
• Basic income—not only a carbon dividend--as part of a wider “degrowth” strategy
BI in developed countries

• Income security
• Incentive to spend less time in the formal employment sector, more time in the (less energy intensive) informal sector: care work, volunteering, education
• Enabling work-sharing
BI in developing countries

• Raising the floor
• Eliminating absolute poverty
• Equipping people with resources for sustainable development
• Some rise in emissions, but offset by carbon taxes, and investment in/incentives for low-carbon heating, transportation, etc.
Convergence to equal opportunity for a flourishing life

overconsumption → Sustainable maximum → Minimum for a full life → poverty
The End
[A carbon tax in India]

• India’s coal tax: $1 per ton on coal, yielding annual revenue of $535 million in financial year 2010-11
• Basic income: 43 cents per person per year
• $20 per ton of coal would still yield under $10 per year per person.
Critique of subjective happiness as measure of well-being

• Adaptive preferences→appeals to subjective happiness fail “to address problems of inequality both within and across generations.” (O’Neill 2018)

• “Subjective well-being measures are simply not picking up the losses in well-being.”

• “Given adaptation, those in the future who suffer the adverse consequences of current decisions and practices may not experience them as adverse.”
Subjective happiness, objective deprivation
Loss not experienced: Who remembers the American Chestnut?
Who will miss the albatross?
Around 20% of all known mammal species are either threatened or endangered.
Equality of opportunity for a flourishing life

To be fleshed out in terms of objective measures of

Freedom & Equality
Health & longevity
Social, educational, psychological measures of capabilities and achievement
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>36,061,710</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>10,641,789</td>
<td>29.51%</td>
<td>7.7</td>
</tr>
<tr>
<td>United States</td>
<td>5,172,336</td>
<td>14.34%</td>
<td>16.1</td>
</tr>
<tr>
<td>European Union</td>
<td>3,469,671</td>
<td>9.62%</td>
<td>6.9</td>
</tr>
<tr>
<td>India</td>
<td>2,454,968</td>
<td>6.81%</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Life satisfaction and GDP per capita

Figure 12.3. Life satisfaction versus GDP per capita
Cantril ladder, 2010
Contraction and Convergence
<table>
<thead>
<tr>
<th>Region</th>
<th>2010/20</th>
<th>20/60</th>
<th>60/2110</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>26.02</td>
<td>37.34</td>
<td>2.04</td>
<td>65.39</td>
</tr>
<tr>
<td>Canada &amp; Oceania</td>
<td>26.02</td>
<td>37.34</td>
<td>2.04</td>
<td>65.39</td>
</tr>
<tr>
<td>Western Europe</td>
<td>13.06</td>
<td>21.88</td>
<td>2.76</td>
<td>37.70</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>9.94</td>
<td>15.70</td>
<td>1.57</td>
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<tr>
<td>China</td>
<td>11.52</td>
<td>27.75</td>
<td>7.10</td>
<td>46.37</td>
</tr>
<tr>
<td>India</td>
<td>4.56</td>
<td>17.99</td>
<td>6.68</td>
<td>29.23</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>17.93</td>
<td>38.85</td>
<td>8.65</td>
<td>65.43</td>
</tr>
<tr>
<td>Central &amp; South America</td>
<td>5.52</td>
<td>12.58</td>
<td>3.01</td>
<td>21.11</td>
</tr>
<tr>
<td>Africa</td>
<td>3.30</td>
<td>14.68</td>
<td>5.76</td>
<td>23.73</td>
</tr>
<tr>
<td>Land Use</td>
<td>22.96</td>
<td>46.69</td>
<td>9.39</td>
<td>79.05</td>
</tr>
<tr>
<td>Total</td>
<td>114.81</td>
<td>233.47</td>
<td>46.95</td>
<td>395.23</td>
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