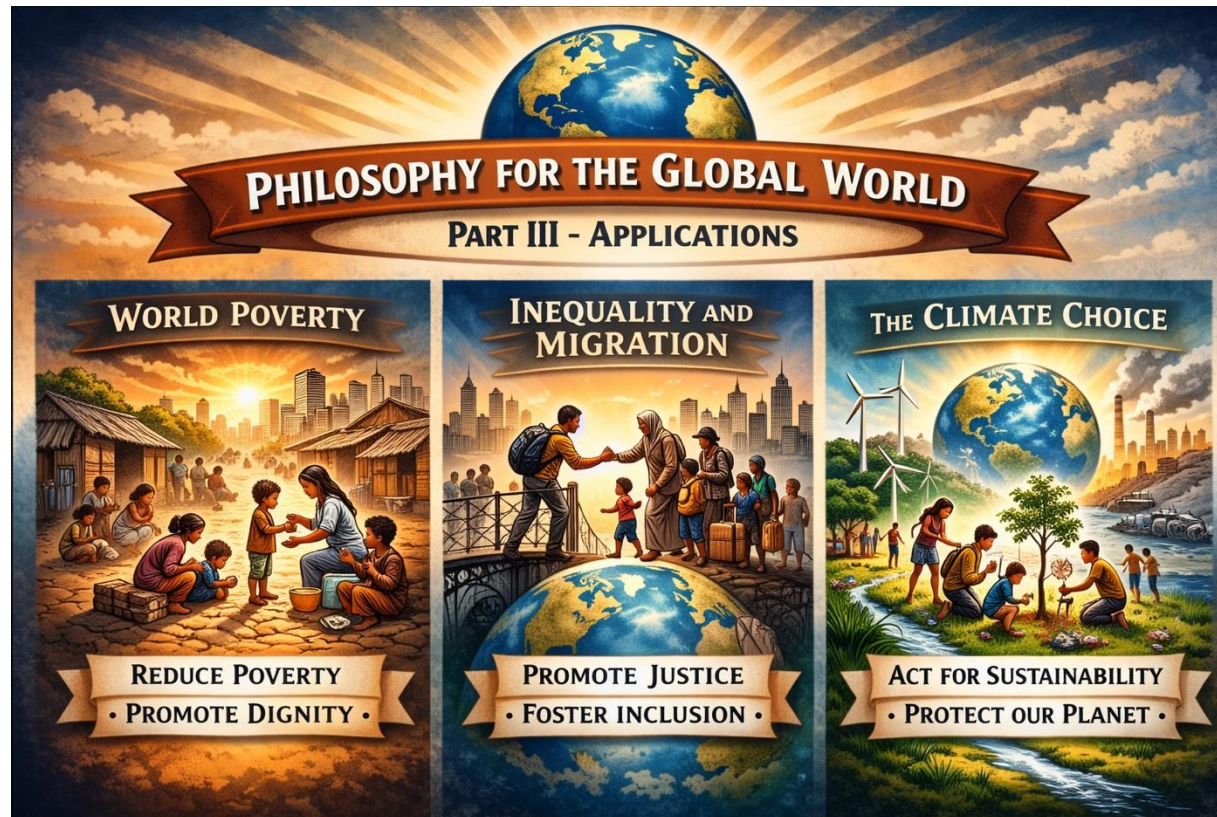


Global Justice

Part III



World Poverty

The State of Global Poverty: Trends and Projections

Extreme Poverty in 2024

- 8.5% of the global population lives in extreme poverty
- 692 million people survive on less than \$2.15/day
- Down from 38% in 1990, but progress has stalled
- Causes of stagnation:
 - Slower economic growth
 - COVID-19 pandemic
 - High inflation
 - Conflict and fragility

Looking Beyond \$2.15/day

- \$3.65/day → 1.7 billion people (21.4%)
- \$6.85/day → 3.5 billion people (43.6%)

→ Nearly half of humanity lives in poverty at this level

Although percentages have declined since the 1990s, the absolute number under \$6.85/day has barely changed, as population growth offset gains.

Future Outlook

By 2030: extreme poverty projected at 7.3%

World Bank target: 3% (far out of reach)

Only 69 million expected to escape extreme poverty by 2030

Even optimistic growth scenarios do not reach 3% before the 2040s

Why Global Poverty Matters: Human Consequences and Moral

A Gap in Life Expectancy

- High-income countries (e.g., Japan, Switzerland): 82–85 years
- Low-income countries (e.g., Sierra Leone, Chad, Central African Republic): 52–55 years
- → Nearly 30 years difference
- → Millions of premature deaths annually

Structural Deprivations

- 735 million undernourished
- Nearly 2 billion lack regular access to essential medicines
- ~2 billion lack safe drinking water
- 3.5 billion lack safely managed sanitation
- 760+ million adults illiterate
- 160 million children in child labour

These are not isolated disadvantages, but systemic and cumulative forms of suffering.

The Moral and Political Question

There is broad agreement that extreme global poverty is a grave injustice.
What remains contested is:

- Why does poverty persist?
- What is the most justifiable response?

Key Frameworks to be examined:

1. Official Development Assistance (ODA)

- Institutionalised “duty to assist”
- Often shaped by national interest and geopolitics

2. Utilitarian approach (Singer)

- Focus: maximise welfare and reduce suffering

3. Rights-based approach (Thomas Pogge)

- Focus: avoid contributing to unjust global structures

→ Tension between “maximising good outcomes” and “respecting rights and justice.”

Official Development Assistance (ODA): How Large Is It?

To understand global poverty policy, we must place aid within the broader landscape of international financial flows.

Official Development Assistance (2024)

Total ODA (OECD-DAC): USD 212.1 billion

- Largest donors (absolute volume):
 - United States – USD 63.3 bn
 - Germany – USD 32.4 bn
 - United Kingdom – USD 18.0 bn
 - Japan – USD 16.8 bn
 - France – USD 15.4 bn

Most Generous Relative to GNI

- Norway – 1.02%
- Luxembourg – 1.00%
- Sweden – 0.79%
- Denmark – 0.71%
- (Exceeding the long-standing 0.7% target)

Important Qualification

- Significant shares of ODA go to:
 - In-donor refugee costs
 - Humanitarian spending

→ Not all ODA reaches long-term development programs in recipient countries.

Conclusion: ODA is substantial — but its composition and real impact require closer scrutiny.

Remittances: The Largest External Flow

- USD 685 billion sent to low- and middle-income countries (2024)
 - Direct transfers to households
 - Strong poverty-reduction effects
 - Often counter-cyclical:
 - Migrants send more when home economies worsen
- Remittances are larger than ODA and often more directly poverty-relevant.

Private Philanthropy & NGOs

- Global NGO/charity sector (broad estimate, 2020): USD 329 bn
 - Includes hospitals, universities, churches, cultural institutions, etc.
 - Not all development-related

More precise estimate (OECD Centre on Philanthropy):

- Large foundations: USD 42.5 bn (2016–2019)
≈ USD 10–11 bn per year
- Sectoral focus:
 - Health – 43%
 - Education and agriculture follow
 - ~60% in poverty-relevant sectors (not always targeting the extreme poor)

Overall Picture

- ODA is large — but not the dominant external flow.
- Remittances are larger and more directly poverty-focused.
- Philanthropy is meaningful but comparatively small and uneven.

Key Insight:

The reality of global “help” is more complex than the simple narrative of “rich states giving aid to poor states.”

Understanding these flows is essential to assess both the potential and limits of external finance in reducing global inequality.

The Aid Effectiveness Debate: Growth, Institutions, and the “Micro–Macro Paradox”

Core Question:

Does foreign aid reduce poverty and promote long-run growth?

Mixed Early Findings

- 1970s–80s macro studies:
 - Small positive, negative, or insignificant effects on growth
- “Micro–macro paradox” (Mosley, 1987):
 - Individual projects succeed (schools, clinics, wells)
 - National growth performance remains weak

Later research (Burnside & Dollar; Collier & Dollar):

- Aid works only with “good policies” and macro stability
- However, results proved fragile under replication

The Institutional Turn

Recent literature shifts focus:

- Aid affects incentive structures, not just capital accumulation
- In weak governance contexts:
 - Weakens state–citizen fiscal links
 - Reduces taxation effort
 - Encourages rent-seeking

- 2023 UNU-WIDER review:

- Governance is the binding constraint in fragile states
- “Hump-shaped” findings:
 - Aid helps where institutions are moderately strong
 - Becomes counterproductive when institutions are weak

Key Insight:

Aid effectiveness depends less on volume and more on institutional context.

The Sectoral Turn

Research increasingly differentiates by type of aid.

Strongest evidence: Health

- Vaccination programs
- Malaria treatment
- HIV therapy
- → Millions of lives saved

Aid has had clear first-order welfare effects in health.

But:

- Success often due to “vertical programs”
- These bypass weak national systems
- Harder task: building
 - Tax systems
 - Procurement chains
 - Regulatory capacity
 - Administrative institutions

Humanitarian Delivery vs. State-Building

- **Humanitarian aid** → often effective
- **State-building aid** → often weak or counterproductive

Poverty is not only resource scarcity

→ It is a political economy problem

Comparative Scale of Flows

- ODA: ~USD 200–220 bn annually
- Remittances: ~USD 650–700 bn (larger, directly pro-poor)
- Philanthropy: ~USD 10–11 bn/year (concentrated in few sectors)

Nuanced Conclusion

- Aid can save lives — especially in health.
- Aid has limited impact on long-run growth when it substitutes for domestic institutions.
- In weak governance settings, aid may entrench structural obstacles.

Final Insight:

Aid does not “never work.”

But effectiveness depends more on politics and institutions than on money alone.

Structural transformation cannot simply be delivered — it must be built.

Dambisa Moyo (2009):

Official development assistance to Africa has not generated development — it has actively blocked it.

Target of Her Critique

- Not emergency humanitarian relief
- Not famine response or epidemic control

→ The target is systemic, long-term government-to-government aid (budget support, concessional loans, World Bank/IMF packages)

Moyo describes this model as a permanent IV-drip of aid — a development strategy based on continuous external transfers.

Four Destructive Effects of Aid (According to Moyo)**1. Entrenches dependency**

Governments become accountable to donors, not citizens.

2. Corrodes institutions

Large aid inflows create rents rather than productive investment.

3. Crowds out investment

Cheap external money displaces bond markets and private capital.

4. Sustains kleptocratic elites

Aid structurally incentivises corruption.

Provocative Claim:

Aid has “kept Africa poor.”



Moyo's Alternative: Finance, Trade, and Markets

Moyo's argument is not only empirical — it is **normative**.

Aid and Political Accountability

Tax-financed states must answer to citizens.

Aid-financed states answer to donors.

→ A development model that weakens fiscal accountability is not only ineffective — it is unfree.

Reversal of the Conventional Narrative

Global poverty is not always:

- A problem of insufficient help

It can also be:

- A problem of the wrong kind of help

If external transfers undermine:

- Institutional capacity
- Fiscal systems
- Democratic accountability

Then aid may weaken the very foundations of emancipation.

The Normative Core: Aid, Agency, and Accountability

If aid is the wrong model, what replaces it?

1. Bond Markets Instead of Donors

- Sovereign bonds finance infrastructure
- Poor governance → higher borrowing costs
- Accountability built into capital markets

2. Foreign Direct Investment (FDI) over Aid

- Investment carries risk
- Creates real assets
- Shifts relations from charity to contract

3. Trade, Not Charity

- Export integration
- Capability development
- Removal of Western protectionism

4. Microfinance & Financial Inclusion

- Credit for SMEs
- Productive capital instead of transfers

5. Taxation as the Basis of Legitimacy

- Revenue from citizens → accountability to citizens

Final Philosophical Insight

Moyo challenges a central moral assumption:

More helping ≠ more justice.

Certain forms of permanent, non-reciprocal transfer may entrench dependency and unfreedom.

Conceptual Question:

Is poverty sometimes less a lack of resources — and more a lack of institutions in which resources matter?

The Core Critique: The “Aid Illusion”

Angus Deaton (Nobel Prize in Economics), in *The Great Escape*, challenges the conventional wisdom on foreign aid.

Central Claim

- Foreign aid, as typically delivered:
- Is government-to-government, not person-to-person
- Alters incentives and power relations
- Often undermines long-run development

The “Aid Illusion”

The popular belief:

Poverty is a financial shortfall that can be filled with money.

Deaton’s response:

- Poverty is not primarily numerical
- It is institutional and political

The key question is not:

- *How much capital exists?*

But:

- *Who controls it?*

How are rulers held accountable?



Aid, Accountability, and State Formation

Taxation vs. Aid

Historically:

- States that tax citizens must bargain with them.
- Bargaining builds representation and accountability.

But when governments rely on external aid:

- They can avoid taxing citizens.
 - Accountability shifts outward — to donors.
 - Domestic political development is weakened.
- Aid may crowd out the political processes that build strong states.

Empirical Illustration: Africa's Record

Many African countries have received high levels of aid for decades.

Yet:

- Growth tracks commodity price cycles, not aid inflows.
- Oil (Nigeria, Angola)
- Diamonds (Botswana)
- Gold (South Africa)
- Coffee (Kenya)

Aid:

- Does not function like investment.
- Requires no market discipline.
- Can stabilise rulers during downturns.

In some cases, it strengthens entrenched elites.

Where Aid Works: Health vs. State-Building

Deaton is not an absolutist critic.

Clear Success: Targeted Health Interventions

- Vaccines
 - Antibiotics
 - HIV treatments
 - Malaria prevention
- Millions of lives saved

These work because they are:

- Technically simple
- Measurable
- Less dependent on strong domestic institutions

But Health Delivery ≠ Institutional Development

Preventing malaria is not the same as:

- Building tax systems
- Creating accountable bureaucracies
- Constructing sustainable public institutions

Development, for Deaton, is fundamentally:

→ The emergence of accountable institutions.

And institutions cannot be imported.

“Stop Doing Harm”: The Broader Political Economy

Deaton’s philosophical conclusion:

The task of wealthy countries is not simply to give more — but to **stop doing harm**.

Aid Can Stabilise Predatory Governments

- Insulates elites from domestic accountability
- Weakens reform incentives
- Entrenches political pathologies

More aid, or higher numeric targets (0.7%, 1%), is not automatically the moral solution.

Structural Global Barriers to Development

Rich countries also harm poor ones through:

- Pharmaceutical patent regimes (e.g., TRIPS)
- Agricultural protectionism in Europe and the US
- Market distortions that block exports

These structural injustices:

- Produce poverty independently of aid.

Alternative Approaches

Example: *Thomas Pogge’s Health Impact Fund*

- Reward firms for measurable health improvements
- Lower monopoly pricing
- Align incentives with global public health

Final Insight

The most powerful way to help the world’s poor is often:

Not to send more money —
but to change the global rules and stop reinforcing institutions that keep people poor.

Development, if durable, must grow from within.

Jeffrey Sachs: Aid as the Solution to Poverty

- **Jeffrey Sachs** (The End of Poverty; UN Millennium Development Goals) argues that extreme poverty is solvable with sufficient international assistance.
- **Central concept: Poverty Trap**
 - Very low incomes → no savings
 - No savings → no investment (health, education, infrastructure, technology)
 - No investment → no growth
 - Poverty therefore reproduces itself.
- **Solution: the “Big Push”**
- Large-scale external investment in:
 - agriculture (fertiliser, irrigation)
 - health and medicines
 - education
 - infrastructure (roads, energy)
- **Goal:** push countries over the threshold where self-sustaining economic growth becomes possible.

Key idea: Poverty persists because countries lack capital, not because they lack effort.



Sachs vs. Moyo & Deaton: The Aid Debate

Sachs' View

- Poverty = lack of capital and technology
- Development is a technical and logistical problem
- Experts and planners can design effective interventions
- More aid is needed to break the poverty trap.

Critics (Dambisa Moyo & Angus Deaton)

Poverty = weak institutions and lack of political accountability

- Aid can:
 - create dependency
 - strengthen corrupt elites
 - weaken government accountability to citizens.

Sachs

Poverty = lack of resources

Aid is the solution

Development is technical

Moyo & Deaton

Poverty = institutional failure

Aid may worsen the problem

Development is political

Open Question:

Is global poverty mainly a shortage of money — or a shortage of effective institutions?

Most scholars do not propose abolishing Official Development Assistance (ODA).

The debate today focuses on how aid should be reformed, not whether it should exist.

1. Aid Effectiveness Approach (OECD DAC – Paris, Accra, Busan)

- Problem: badly designed aid (fragmented, donor-driven, inefficient).
- Solution: improve how aid works through:
 - alignment with recipient country strategies
 - donor coordination
 - transparency and accountability
 - rigorous evaluation and evidence-based programmes.
- Close to the approach of Abhijit Banerjee & Esther Duflo: development should rely on tested, evidence-based interventions.

2. Sachs' Scaling-Up Approach

- Problem: too little aid, not poor organisation.
- Argument: aid has saved lives when funding:
 - vaccines, antibiotics, bed nets
 - agricultural inputs and soil supplements
 - education and infrastructure.
- Solution: large, predictable, long-term financing, possibly through global taxes (e.g., carbon, airline tickets).

Key contrast:

Aid effectiveness focuses on better management, while Sachs emphasises greater investment.

Structural Justice Approach: Pogge

3. Pogge's Institutional Reform Perspective

- The main cause of global poverty is structural injustice in the global system, including:
 - trade rules
 - intellectual property regimes
 - global taxation and financial structures
 - resource governance.
- These rules often systematically disadvantage poorer countries.

Implication for ODA

- Aid should not be framed as charity.
- It should be understood as compensation for harms created by global economic institutions.
- ODA can help, but institutional reform must come first.

Three Competing Visions of Aid

Approach	Role of Aid
OECD / Aid Effectiveness	Technical tool to improve development programmes
Sachs	Large-scale investment to overcome poverty traps
Pogge	Partial compensation within broader structural reform

Key takeaway:

The real debate today is what aid is for — technical development assistance, large-scale investment, or compensation within a project of global justice.

Peter Singer: A Utilitarian Ethics of Global Poverty

- Singer develops a utilitarian approach to global poverty: moral actions should maximize the reduction of suffering.
- Core principle (from *Famine, Affluence and Morality*, 1972):
If we can prevent something bad from happening without sacrificing anything of comparable moral importance, we are morally required to do it.
- The “Drowning Child” Thought Experiment
 - If we see a child drowning in a shallow pond, we must save them even if it ruins our clothes.
 - For Singer, people dying from poverty are morally equivalent to that child.
 - Distance and national borders are morally irrelevant.

Key implication:

Responsibility for global poverty does not rest only with governments — **affluent individuals also have strong moral duties to help.**

From Moral Argument to Effective Altruism

Singer later translates this ethical argument into practical action:

- In *The Life You Can Save* (2009)
 - Focus on highly effective charities that save lives at low cost.
 - Moral duty becomes targeted, evidence-based giving.
- In *The Most Good You Can Do* (2015)
 - Singer's ideas inspire the Effective Altruism movement.
 - Individuals should allocate money, time, and careers to maximize global wellbeing.

Singer

Focus on **positive duties to help**

Moral obligation of **individuals and states**

Aim: **maximize reduction of suffering**

Pogge

Focus on **negative duties not to harm**

Responsibility for **unjust global institutions**

Aim: **reform structures causing poverty**

Key message:

Global poverty persists not because solutions are unknown, **but because affluent societies fail to act on their moral obligations.**

Effective Altruism: From Singer's Ethics to a Global Movement

Effective Altruism institutionalises the utilitarian ideas of Peter Singer: use evidence and reasoning to do the most good possible.

Core Principle

Allocate money, time, and careers to interventions that produce the largest reduction in suffering per dollar.

Key Organisations in the EA Network

- Centre for Effective Altruism – community coordination and movement building
- GiveWell – evaluates charities using impact and cost-effectiveness analysis
- 80,000 Hours – career advice for high-impact work
- Open Philanthropy – major philanthropic funder of EA-aligned projects

Financial Scale

- Open Philanthropy: over \$3.3 billion distributed since 2015
- GiveWell: over \$1 billion directed to top charities
- Major donors include Dustin Moskovitz and Cari Tuna.

Areas of Focus

- Global health & poverty (bed nets, deworming, cash transfers)
- Animal welfare
- Biosecurity and pandemic prevention
- Long-term risks (e.g., AI safety)

Key point: EA has become a major allocator of philanthropic resources worldwide.

Main Critiques of Effective Altruism

Several scholars question EA's ethical assumptions and political implications.

1. Moral Reductionism

- Iason Gabriel argues EA often assumes strong utilitarian maximisation.
- Values such as rights, equality, and fairness risk being treated only instrumentally.

2. Neglect of Structural Injustice

- Amia Srinivasan argues EA works within the existing economic system.
- It focuses on efficient charity, rather than challenging the structural causes of global inequality.

3. Overreliance on Quantification

- EA prioritises metrics and cost-effectiveness calculations (e.g., welfare per dollar).
- Critics argue that not all forms of justice or suffering can be reduced to numerical metrics.

4. Distributional Concerns

- Maximising total welfare may direct resources to high-impact interventions, not necessarily to the worst-off populations.

Strength of EA

Strong moral urgency to reduce suffering

Evidence-based philanthropy

Large-scale funding impact

Main Concern

Limited attention to structural injustice

Overreliance on utilitarian metrics

Potential neglect of rights and fairness

Key takeaway:

Effective Altruism extends Singer's moral vision of efficiently reducing suffering, but critics argue it must engage more seriously with justice, rights, and systemic change.

Concluding Assessment of Singer's Approach

Major Contribution

- Singer made the **moral urgency of global poverty vivid and unavoidable**.
- His argument that affluent individuals can prevent suffering at relatively low personal cost reshaped ethical debates about global responsibility.
- Through Effective Altruism, his philosophy has been translated into real-world action, directing large amounts of private funding to highly cost-effective interventions.

Key Limitations

1. Heavy Moral Demands on Individuals

- Singer emphasises personal moral duties rather than institutional responsibility.
- Yet private philanthropy (~\$10–11B/year) remains small compared to Official Development Assistance (~\$200B/year).
- Reliance on voluntary giving creates free-rider problems and depends on a small number of highly committed donors.

2. Limited Attention to Structural Justice

- Strong utilitarian maximisation prioritises measurable outcomes.
- Harder-to-measure values — rights, equality, dignity, institutional reform — receive less emphasis.
- Risk: focusing on efficiently reducing suffering without addressing the systems that generate it.

Overall Assessment

- Singer provides a powerful moral call to action, showing what individuals can do immediately.
- However, his framework remains institutionally thin: addressing global poverty may require structural reform and collective political action, not only better philanthropy.

Pogge's Normative Starting Point: Justice and Human Rights

Pogge begins with a minimal principle of justice:

- Any institutional order is unjust if it foreseeably and avoidably produces massive human-rights deficits.

This principle reflects Universal Declaration of Human Rights (Article 28):

people are entitled to a social and international order in which human rights can be realised.

Standard UN “Statist” Model of Responsibility

States primarily owe **duties to their own citizens**:

1. **Negative duties** – do not violate rights
e.g. no torture, no arbitrary detention
2. **Positive duties to protect** – protect people from rights violations by others
3. **Positive duties to fulfil** – facilitate access to basic needs (food, health, disaster relief)

|

Implication:

International responsibilities are usually treated as secondary or humanitarian, not primary duties.

Pogge's Cosmopolitan Alternative

Pogge rejects the idea that moral responsibility stops at national borders.

Cosmopolitan Principle

Duties apply equally to all persons, regardless of nationality.

The structure of duties remains the same:

- negative duties
- duties to protect
- duties to fulfil.

But Pogge introduces a crucial extension to the UN approach:

Global Negative Institutional Duty

- We must not support international institutions that foreseeably harm others.

This applies to global economic rules and institutions such as:

- trade regimes
- financial systems
- global governance structures.

Key Argument

- Our most stringent obligation is negative:
do not impose or maintain unjust global rules that cause severe deprivation.

Conclusion

If the global order predictably produces widespread poverty and rights deficits, then those who benefit from it have a moral responsibility to reform it.

Pogge's First Premise: Persistent Human-Rights Deficits

Premise #1:

Under the current rules of the global economy, the human rights of large portions of humanity remain unfulfilled.

Pogge supports this claim with empirical evidence of severe and persistent deprivation:

- ~735 million people chronically undernourished (UN estimates, 2024)
- ~2 billion people lack regular access to essential medicines (WHO)
- ~2 billion people lack safe drinking water
- ~3.5 billion people lack safely managed sanitation
- ~760 million adults remain illiterate (UNESCO), mostly women and girls
- ~160 million children engaged in child labour (ILO)

Interpretation

These conditions represent systematic failures to secure basic human rights.

The scale and persistence of deprivation suggest that the current global institutional order fails a minimal test of justice.

Key idea:

Global poverty is not merely unfortunate — it signals a structural failure of the global system.

Pogge's Second Premise: Poverty is Avoidable

Premise #2:

Most global human-rights deficits are foreseeably and reasonably avoidable under alternative global rules.

Evidence: Extreme Wealth Concentration

According to the World Inequality Report 2026, about 60,000 ultra-wealthy individuals (top 0.001%) hold as much wealth as the entire bottom half of the world's population.

This demonstrates:

- the enormous concentration of global wealth
- the possibility of different institutional arrangements that could reduce deprivation.

Pogge's Response to a Common Objection

- Some argue global poverty has declined over recent decades.
- Pogge acknowledges improvements but argues this misses the key moral question.

Normative Test

The issue is not whether the poor are better off than before, but whether today's poverty is avoidable under a different global institutional design.

Conclusion

If severe poverty is foreseeable and avoidable, then continuing to maintain the current global rules means sharing responsibility for ongoing human-rights deficits.

Pogge on Domestic vs Global Causes of Poverty

A common objection:

Differences in poverty across countries are mainly caused by domestic factors — history, culture, geography, or internal institutions.

- Example: China has reduced poverty rapidly, while countries like Senegal have seen slower progress.

Pogge's Response

- Poverty patterns are indeed heterogeneous, but this does not invalidate his argument.
- Instead, it raises a deeper question:

Why do severe deprivations persist especially in many resource-rich poor countries?

The Resource Privilege

Pogge identifies a structural rule in international law:

- Whoever controls a country's territory — even dictators or juntas — is legally entitled to sell that country's natural resources.
- Foreign companies can buy oil, minerals, or timber from these rulers, regardless of how they obtained power.

Consequences

- Creates incentives for coups and authoritarian rule
- Enables corruption and elite capture
- Explains why many resource-rich countries remain extremely poor

Key Insight:

What appears as “**domestic failure**” often reflects incentives created by global institutional rules.

Global Institutions and Structural Harm

Pogge argues the global economic order is not neutral:

it systematically advantages wealthy countries and predictably harms the poor.

Examples of Structural Mechanisms

1. Trade Protectionism

Agricultural subsidies and tariffs in the European Union, United States, and Japan restrict export opportunities for farmers in poorer countries.

2. Intellectual Property Rules

The TRIPS Agreement under the World Trade Organization enforces 20-year pharmaceutical patents, making life-saving medicines unaffordable for many.

3. Tax and Financial Systems

Profit shifting and tax avoidance allow multinational firms to move profits out of developing countries.

Estimated losses: ≈ \$160 billion per year (Tax Justice Network).

4. Environmental Inequality

Poor countries suffer the greatest climate impacts despite contributing least to emissions.

Institutional Asymmetry

- Strong global protection for corporate property rights (e.g., patents)
- Weak or absent global enforcement of labour rights and social protections

Pogge's Core Claim

Global poverty is not merely a failure to help —

it reflects **a pattern of harm produced by existing global rules.**

Pogge's Conclusion: Global Poverty as Institutional Injustice

Logical Structure of Pogge's Argument

Premise 1:

Severe global poverty and human-rights deficits persist.

Premise 2:

Much of this deprivation is foreseeably avoidable under alternative global rules.

Conclusion

- The current rules of the global economy systematically produce massive human-rights deficits.
- Therefore, the global institutional order is gravely unjust.

Key Implication

If global poverty is both severe and avoidable, the global system that predictably reproduces it is morally wrongful, not merely unfortunate.

This raises the central question:

Who is responsible for maintaining this unjust order?

Responsibility and Obligations in Pogge's Framework

Pogge attributes primary responsibility to powerful states and global institutions shaping the world economy, including:

- World Trade Organization
- International Monetary Fund
- OECD
- G20

These institutions operate in environments vulnerable to regulatory capture, influenced by:

- multinational corporations
- financial institutions
- powerful economic lobbies.

Why the Supranational Level Is Vulnerable

- Limited democratic oversight
- Low transparency
- Justification of policies through competitive national interests.

Moral Consequence

Powerful states violate a fundamental negative duty:

they impose and maintain **global rules that foreseeably produce severe deprivation.**

Resulting Obligations for Citizens of Affluent States

A. Institutional Reform

Work to change global rules that harm the poor.

B. Compensation for Harm

Support policies or transfers that mitigate harms created by current institutions.

Key takeaway:

For Pogge, efforts against global poverty are not acts of charity, but duties of justice owed to those harmed by the global order.

Pogge argues that **global poverty** persists because of harmful institutional incentives, not simply because of insufficient aid.

Two problematic global legal conventions:

1. Resource Privilege

- Whoever controls a country's territory — even dictators or juntas — is internationally recognised as the legitimate authority to sell natural resources.
- This allows rulers who seize power to legally sell oil, minerals, or timber on global markets.

2. Borrowing Privilege

- The same rulers can borrow money in the name of the country, leaving the population responsible for debts incurred by illegitimate regimes.

Consequences

- Strong incentives for coups and violent power seizures in resource-rich states
- Enrichment of political elites rather than the population
- Persistence of poverty despite natural resource wealth

Key insight:

Global poverty is reinforced by institutional rules that reward authoritarian control over resources.

Pogge's Proposed Institutional Reforms

To remove these harmful incentives, Pogge proposes reforms to global institutional rules.

1. Constitutional Limits on Resource Sales

- Resource-rich countries could adopt constitutional provisions stating that only democratically elected governments may authorise resource sales.
- Contracts signed by dictators would not be legally enforceable internationally.

2. International Democracy Panel

- An independent body of legal and political experts would evaluate whether governments meet minimum democratic standards.
- If a regime is not democratic:
 - corporations and banks could not legally purchase resources
 - sovereign loans would not be recognised internationally.

Goal

- Remove the economic incentives that encourage coups, authoritarian rule, and resource theft.

Pogge's Broader Strategy

Instead of relying on charity or aid, Pogge proposes redesigning global rules “upstream” so that institutions stop producing large-scale harm in the first place.

Key takeaway:

Global poverty should be addressed not only through assistance, but by reforming the institutional structures that generate deprivation.

The Global Resource Dividend (GRD): Core Idea

The **Global Resource Dividend** (GRD) is Pogge's most well-known proposal for addressing global poverty through institutional reform.

Moral Principle

- Natural resources are not created by individuals or states.
- Oil, minerals, forests, oceans, and the atmosphere are morally arbitrary natural endowments.
- Therefore, no country has a fully legitimate exclusive claim to these resources simply because they lie within its borders.

Core Idea of the GRD

- States keep sovereignty over their resources.
- However, a small global dividend (tax) is paid whenever natural resources are extracted or sold.

Possible applications:

- barrels of oil
- tons of coal or copper
- cubic meters of natural gas
- CO₂ emissions

Key concept:

The GRD is essentially a small global fee on the use of Earth's natural resources.

The Global Resource Dividend (GRD): Core Idea

Revenue Mechanism

- A small surcharge ($\approx 1\%$ or less) on global resource extraction.
- Even a tiny levy could generate tens of billions of dollars annually due to the scale of global resource use.

Use of Funds

- Pooled into a global redistribution mechanism
- Directed toward poverty-reduction programs in the poorest regions.

Justice, Not Charity

- Pogge emphasises the GRD is not humanitarian aid.
- It represents compensation for unequal access to shared natural resources.

Institutional Design

- Implemented through international treaties, not a global government.
- Similar coordination mechanisms already exist in agreements like the World Trade Organization or the Montreal Protocol.

Key Insight

- Small adjustments to global economic rules could produce large reductions in poverty without imposing heavy burdens on wealthy societies.

The Health Impact Fund (HIF): Addressing Inequality in Access to Medicines

The Health Impact Fund (HIF) is Pogge's proposal to reform the global pharmaceutical innovation system.

Problem: Patent-Based Pricing

Under the current global system (linked to the TRIPS Agreement and enforced through the World Trade Organization):

- Pharmaceutical companies rely on patent monopolies to recover R&D costs.
- During patent exclusivity, companies set very high prices.

Consequences

- Medicines become unaffordable for many patients in low- and middle-income countries.
- Millions suffer avoidable illness or death, even when treatments exist.

Key Problem

- The current system rewards high prices, not health outcomes.

Pogge's Diagnosis:

This is a design flaw in global institutions, not simply a failure of charity.

How the Health Impact Fund Would Work

Core Idea:

Reward pharmaceutical companies for health impact, not monopoly pricing.

Mechanism

- Pharmaceutical companies voluntarily register a new medicine with the HIF.
- In exchange, they agree to sell the drug worldwide at or near production cost.
- The company receives payments from a global public fund.

Compensation System

- Rewards are distributed according to the measurable health impact of the medicine.
- Example metric: DALYs reduced (Disability-Adjusted Life Years).

Funding

- Estimated cost: $\approx$ \$6 billion per year, financed by participating states.
- Relatively small compared with health budgets in wealthy countries.

Expected Benefits

- Incentivises research on neglected diseases such as:
 - malaria
 - tuberculosis
 - tropical diseases.

Key Insight

- The HIF illustrates Pogge's broader strategy:
change global incentive structures so institutions reward life-saving outcomes rather than high profits.

Critiques of Pogge: Causes and Moral Duties

Many scholars share Pogge's moral urgency about global poverty, but challenge key elements of his argument.

1. Are Global Institutions the Main Cause of Poverty?

- Critics such as Joshua Cohen question Pogge's "strong thesis".
- Some countries — such as China, Vietnam, and Bangladesh — have reduced poverty rapidly within the same global system.

Implication

Global institutions matter, but domestic governance, policies, and social institutions also play a major role.

2. Negative vs Positive Duties

- Pogge emphasises negative duties:
the obligation not to support institutions that harm others.
- Critics such as Kok-Chor Tan and Neera Chandhoke argue this is too narrow.

They stress that:

- Human rights generate positive duties to assist, not only duties to avoid harm.
- Moral motivation often comes from solidarity and compassion, not only from guilt or complicity.

Key critique:

Justice must combine both negative and positive responsibilities.

3. Distribution of Responsibility

- Pogge places primary responsibility on affluent states and their citizens.
- Critics such as Neera Chandhoke argue this overlooks the role of:
 - domestic governments
 - local elites
 - civil society in poorer countries.

Global poverty often reflects an interaction between global structures and local governance.

4. Institutional Idealism and Historical Context

- Leif Wenar agrees with Pogge's critique of the resource privilege, but argues Pogge's proposed institutional reforms may be too idealistic.
- Charles W. Mills pushes the critique further:
 - Global injustice cannot be understood without colonialism, race, and gender hierarchies.

Implication

Global justice theory must address:

- historical legacies of empire and racial domination
- the gendered structure of global inequality.

Overall Assessment

Pogge's framework remains highly influential, but critics argue that understanding global poverty requires:

- combining global and domestic explanations
- integrating negative and positive duties
- recognising shared responsibility and historical injustice.

Understanding Global Poverty: Competing Diagnoses

Despite decades of global economic growth, hundreds of millions still live in severe deprivation. The central debate today is not whether poverty is morally troubling, but how to explain it and what justice requires in response.

Financial Flows and Development

- Official Development Assistance (ODA) is large but only one part of global flows.
- Remittances are even larger and directly reach poor households.
- Philanthropy is smaller and unevenly focused.

Empirical Evidence

- Aid has produced clear successes in health and humanitarian relief.
- But macroeconomic effects are mixed and conditional, often depending on domestic institutions.

Competing Diagnoses of Poverty:

Thinker	Main Cause of Poverty	Policy Implication
Jeffrey Sachs	Lack of capital	Large-scale aid and investment (“big push”)
Dambisa Moyo / Angus Deaton	Weak institutions & accountability	Reduce aid; strengthen domestic governance

Shared insight:

Traditional “business-as-usual” aid is insufficient without institutional reform or new development strategies.

Toward a Plural Approach to Global Justice

The chapter suggests no single master solution, but a plural strategy.

A credible response to global poverty requires three complementary actions:

1. Improve Existing Assistance

Make aid and philanthropy more effective and accountable.

Focus on programmes that directly save lives.

2. Reform Global Economic Rules

Address structural inequalities in:

- trade
- finance
- intellectual property
- resource governance.

3. Strengthen Domestic Institutions

Support inclusive governance and accountability in developing countries.

Integrated Ethical Framework

A robust ethics of global poverty must combine:

- Outcomes (saving lives and reducing suffering)
- Justice and rights (avoiding structural harm)
- Agency and responsibility (who has power to change institutions).

Final Insight

Global poverty is **not an inevitable tragedy** but a political and moral challenge.

The key obstacle is **not lack of solutions, but lack of political will to change the rules of the global economy.**

Moral Frameworks: Singer vs Pogge

The debate also concerns moral responsibility for global poverty.

Peter Singer

- Poverty = preventable suffering.
- Affluent individuals have strong positive duties to help.
- Resources should be directed to cost-effective interventions.
- Inspired the Effective Altruism movement.

Thomas Pogge

- Poverty = result of unjust global institutions.
- Emphasises negative duties not to harm.
- Priority should be reforming global rules (trade, finance, patents, resource regimes).

Two Strategies of Moral Action:

Strategy	Focus
Singer / Effective Altruism	Optimise philanthropy within current system
Pogge	Reform the global institutional structure

Key insight:

Neither charity alone nor institutional reform alone fully captures the complexity of global poverty.

Inequality and Migration

Globalization and Unequal Opportunities

- Globalization connects the world through trade, technology, and communication, but borders still determine life chances.
- Migration is the human face of global inequality: where you are born strongly shapes your opportunities.
- According to Branko Milanović, most global inequality today is between countries, not within them.
- Citizenship acts as an inherited asset (“citizenship premium”):
 - Being born in a rich country provides structural advantages.
 - Migration allows individuals to convert low-value citizenship into high-value citizenship.

Key implication

→ Migration is often the most effective path out of poverty, but it challenges political and social boundaries in receiving countries.

Two Major Philosophical Positions

Cosmopolitanism

- Borders have no intrinsic moral value.
- All individuals have equal moral worth.
- Restricting migration preserves global inequality and inherited privilege.

Communitarian / Liberal Nationalism

- Justice and solidarity require bounded political communities.
- States must control membership and borders to preserve democracy and social cohesion.

Central Tension

- Moral universalism vs political feasibility
- Equality of persons vs solidarity within states

Key Question

→ How can societies reduce global inequality through mobility while maintaining political legitimacy and social cohesion?

Mobility in a Globalized World

- In theory, globalization connects people, markets, and opportunities.
- In practice, freedom of movement is highly unequal.

Two Different Worlds

- Citizens of wealthy countries can travel and relocate relatively easily.
- People born in poorer countries face visas, quotas, and strict border controls.

Example

- A European or North American can move abroad with limited restrictions.
- A worker from Lagos, Dhaka, or Kinshasa cannot simply move to seek work.

Key Idea

→ Birthplace determines mobility opportunities, shaping access to global economic opportunities.

Scale of International Migration

- According to United Nations Department of Economic and Social Affairs (2023):
 - 281 million international migrants worldwide
 - About 3.6% of the global population

Growth of Migration

- 2000: 173 million migrants
- Increase of more than 100 million migrants in two decades
- Migration growth rate: ~2–2.5% annually

Migration Aspirations

Gallup global surveys:

About 900 million adults would like to migrate permanently if possible.

Implication

→ The desire to migrate is far larger than actual migration flows due to legal and political barriers.

The “Location Effect” in Global Inequality

Global Inequality Structure

According to Branko Milanović:

Global inequality =

- Inequality between countries (location)
- Inequality within countries (social class)

Today, **location remains the dominant factor.**

Thought Experiment

An unborn individual’s future income depends mainly on:

- 1. Country of birth**
- 2. Social class within that country**

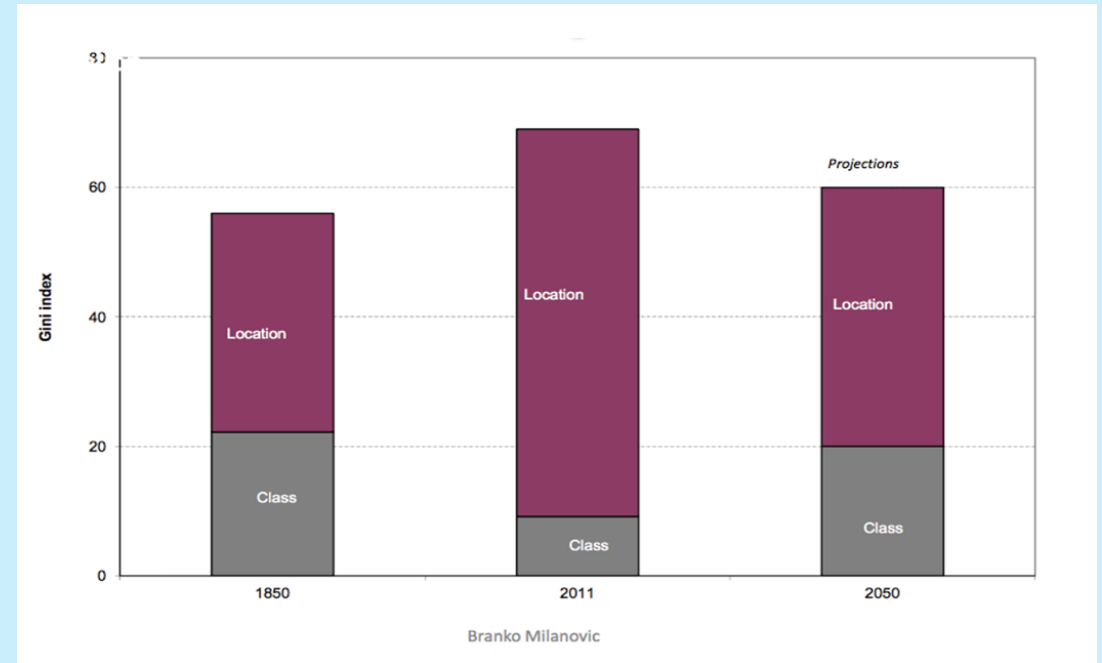
Evidence shows country matters more than class.

Example

A poor person in the United States may still earn more than a middle-class person in a very poor country.

Key Conclusion

→ The largest determinant of global income inequality is where someone is born, not their individual effort or class background.



Citizenship as a “Rent-Conferring Privilege”

Limited Global Mobility

- Around 97% of the world’s population lives in their country of birth.
- Migration remains the exception rather than the rule.

Implication

→ Differences in life chances depend primarily on country of birth, not individual effort.

Income Gaps Between Countries

If the Democratic Republic of Congo is taken as a baseline:

- United States: ~71× higher average income
- Sweden: ~62× higher
- Brazil: ~17× higher

Key Concept

According to Branko Milanović:

→ Citizenship functions as a “rent-conferring privilege” — a return based on birthplace rather than merit.

Borders and the Protection of Citizenship Privilege

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Borders and the Protection of Citizenship Privilege

Why Borders Are Strongly Enforced

Because the passport premium is extremely large, wealthy states invest heavily in **migration control infrastructures**.

Examples of Border Enforcement

- United States: fencing and patrols along the US–Mexico border
- European Union: cooperation with Libyan coast guard to intercept migrants
- Israel: concrete separation barrier
- Saudi Arabia: border barrier with Yemen
- India: fencing along the Bangladesh border
- Korean Peninsula: heavily militarised demilitarized zone

Global Paradox

- Goods, capital, and technology move freely
- Human mobility remains highly restricted

Conclusion

→ Border control functions as the defence of citizenship privilege in a world marked by deep global inequality.

Cosmopolitan Critique of Global Inequality

Cosmopolitan Perspective

Philosophers such as

- Thomas Pogge
- Charles Beitz
- Peter Singer

argue that **global inequality** cannot be morally ignored in an interdependent world.

Core Argument

- Birthplace generates massive inequalities in life chances.
- The citizenship premium is difficult to justify within liberal principles.

Example:

- Even the poorest Americans are relatively wealthy in global terms.

Cosmopolitan Claim

→ If the global economy already connects individuals through markets and production chains, then moral obligations extend beyond national borders.

This implies a form of global social contract among individuals, not only between states.

Three Main Channels to Reduce Global Inequality

1. **Economic growth in poor countries**
2. **Global redistribution**
3. **Migration**

Current redistribution is limited:

- Global aid $\approx$ \$200 billion/year
- $\approx$ 0.1% of world GDP

→ Migration becomes a direct way for individuals to access the citizenship premium.

Globalization Paradox

- Goods, capital, and technology move freely.
- Labour mobility remains restricted.

As highlighted by *Branko Milanović*, this creates key tensions:

- People want to move but lack the right to migrate.
- Global markets are open, but labour remains constrained.
- Development policy focuses on improving lives where people are, rather than where they could thrive.

Cosmopolitan Conclusion

→ Allowing free trade but restricting human mobility protects the advantages of wealthy countries and reinforces citizenship-based inequality.

Communitarian Perspective

According to Michael Walzer (Spheres of Justice, 1983):

- Justice is embedded in specific political communities.
- Societies share historical meanings, practices, and institutions.

Key Principle

→ Membership precedes distribution.

Before deciding how to distribute rights and resources, a society must decide who belongs to the community.

Implication

- Democratic equality requires partially closed borders.
- Without control over membership, a political community cannot sustain its shared values and institutions.

Conclusion

→ Borders are necessary to preserve the integrity and self-determination of political communities.

Liberal Defense of Immigration Restrictions

Christopher Heath Wellman argues that states have a right to exclude based on freedom of association.

Core Idea

If individuals have the right to choose:

- whom to marry
- whom to live with
- whom to admit into their home

→ then political communities should also have the right to choose whom to admit.

Analogy

Just as individuals can refuse unwanted associations, states may refuse entry to migrants.

Key Point

- Exclusion does not imply hostility or prejudice.
- It protects the autonomy and self-determination of the political community.

Another influential position comes from David Miller.

Liberal-Nationalist View

- States are communities of shared political cooperation.
- Democratic institutions require bounded membership.

Justifications for Border Control

- Protect collective self-government
- Maintain social trust and solidarity
- Preserve the capacity for democratic redistribution

Important Limits

Even defenders of immigration restrictions accept:

- Humanitarian obligations toward refugees
- Respect for basic human rights

Conclusion

→ Borders are morally justified as part of collective self-determination, but they remain constrained by **humanitarian responsibilities.**

Different thinkers justify migration limits for different moral reasons.

Communitarian Argument

- Michael Walzer
- Borders protect a shared moral community and common life.

Freedom of Association

- Christopher Heath Wellman
- Political communities have a right to choose whom to admit, similar to individuals choosing associations.

Liberal Nationalism

- David Miller
- Immigration limits protect national solidarity and redistributive institutions.

Common Position

→ All reject open borders, but for different reasons:

- **Community (Walzer)**
- **Rights of association (Wellman)**
- **Social justice within nations (Miller).**

Utilitarian Cosmopolitanism

Peter Singer argues that moral concern is global, not limited by borders.

Core Principle

- The goal is to maximize global well-being.
- Suffering has equal moral weight everywhere.

Implication for Migration

Preventing people from moving to better opportunities is morally unjustifiable.

Migration generates huge welfare gains:

Income can increase 2×, 5×, even 10×

Key Critique

→ It is inconsistent to:

Support free movement of goods and capital

Restrict movement of people

Conclusion

→ From a utilitarian perspective, border restrictions block major global welfare improvements.

Global Justice Perspective

- Thomas Pogge argues that global inequality is not accidental, but shaped by:
- Trade systems
- Institutional rules
- Policies of wealthy countries

Core Claim

→ Affluent societies are partly responsible for global poverty.

Implication for Migration

- Restricting migration means:
 - Contributing to inequality
 - Blocking escape from it

→ Migration becomes a form of moral rectification, not just charity.

Shared Cosmopolitan Conclusion

Both Singer and Pogge reject the moral relevance of borders.

Large gains for migrants vs small costs for rich countries.

→ Immigration restrictions are difficult to justify morally in a globally interconnected world.

Carens: The Moral Presumption of Open Borders

Cosmopolitan Liberal Egalitarianism

Joseph Carens argues that:

→ **Open borders should be the default position**

Reversal of the Burden of Proof

- It is not for open-border advocates to justify movement
- It is for restrictionists to justify why people should be stopped

Core Principle

- All individuals have equal moral worth
- Freedom of movement is already a basic right within states

Key Question

→ If movement is a right inside states, why does it stop at borders?

Carens' Famous Analogy

- In feudal societies:
 - Life chances depended on birth status (serf, noble, etc.)
- Today:
 - Life chances depend on nationality

Key Insight

→ Citizenship functions like a modern form of inherited privilege

Connection to Branko Milanović:

The “citizenship premium” shows how birthplace determines income.

Conclusion

- Nationality is a morally arbitrary factor
- Borders reproduce birth-based inequality at a global level

Carens: Open Borders as a Requirement of Justice

Liberal Egalitarian Logic

- We reject inequalities based on:
 - Class
 - Race
 - Family background

→ But accept inequality based on country of birth

Carens' Argument

- This is inconsistent with liberal principles of equality
- The largest arbitrary inequality (birthplace) cannot be ignored

Migration as a Justice Mechanism

- Moving across borders can increase income 5×–10× or more
- Restricting migration blocks the most effective path out of poverty

Final Conclusion

- Borders are a form of global birth privilege, and
- Open borders follow logically from liberal democratic values.

Why Open Borders? Efficiency, Equality, Justice

A Converging Argument

Different moral frameworks reach the same conclusion:

- Peter Singer (utilitarianism) → maximize global welfare
- Thomas Pogge (egalitarianism) → correct global injustice

Core Insight

→ Labour mobility reduces global inequality more than trade or capital flows

Why Migration Matters

Moving workers increases income dramatically

It directly redistributes opportunities across countries

Moral Implication

→ Opening borders is not charity, but a powerful instrument of justice and equality

Maximising Global Welfare

- All well-being counts equally, regardless of nationality
- Preventing migration = blocking large welfare gains

Example

- A worker from Bangladesh earning \$500/month could earn multiple times more abroad

→ Restricting movement creates avoidable global welfare losses

Economic Logic

According to Dani Rodrik:

- Even if citizens are valued more than foreigners,
- Relaxing migration still increases total welfare

Key Comparison

- Trade liberalisation → moderate gains
- Migration liberalisation → much larger gains

Important Point

- Migration under labour laws:
 - Improves wages and protections
 - Avoids “race to the bottom”

Conclusion

→ Labour mobility is the most effective and humane way to increase global welfare

Pogge's Argument: Inequality as Structural Injustice

According to Thomas Pogge:

- Global inequality is not natural, but produced by:
- Trade regimes
- Resource privileges
- Global financial institutions

→ Rich countries are partly responsible for global poverty.

Implication for Migration

- Restricting migration = preserving an unjust global order
- Preventing movement = blocking escape from harm

Migration as Justice

→ Labour mobility is:

- Not charity, but rectification
- A way to restore fairness in an unequal system

Key Insight

- Migration is the most powerful equaliser in the global economy
- Denying mobility reinforces a global system of birth-based inequality

Conclusion

→ The right to move is a **matter of justice**, not discretion.

A Converging Conclusion

- Utilitarian view → maximise global welfare
- Egalitarian view → rectify structural injustice

→ Both lead to the same result:

Current border restrictions are both inefficient and unjust

The Political Constraint

- In rich democracies, migration is perceived as:
 - Domestic redistribution
 - A transfer from “us” to “them”

→ This creates resistance despite strong moral arguments.

Key Insight

- Migration is:
 - The most efficient way to reduce inequality
 - The most just way to address global disparities

Final Point

→ Opening borders does not require utopia, but consistency:

- Apply to people the same logic used for goods, capital, and ideas.

Two Opposing Moral Frameworks

Cosmopolitans

- Thomas Pogge, Joseph Carens, Peter Singer
 - Borders are morally arbitrary
 - All individuals have equal moral worth
 - Restricting migration = blocking life chances based on birth

Communitarians & Liberal Nationalists

Michael Walzer, Christopher Heath Wellman, David Miller

- Justice is rooted in bounded political communities
- States have special duties to their citizens
- Border control = legitimate self-determination

Key Insight

- These are structurally incompatible views of political morality
- No simple theoretical reconciliation

Political Constraint

- Voters in rich democracies tend to hold communitarian preferences
 - Strong cosmopolitan policies often trigger:
 - Backlash
 - Border securitisation
 - Restrictive migration policies
- Moral arguments alone do not translate into policy.

The Policy Turn: Second-Best Designs

Economists propose pragmatic compromises:

- Michael Clemens
- Lant Pritchett

Key Idea: “Unbundling Citizenship”

- Allow labour mobility without full citizenship rights
- Create intermediate legal statuses:
 - Temporary work permits
 - Limited welfare access
 - Conditional residence

Conclusion

- Move from ideal theory (open borders) to **politically feasible reforms**
- Aim: expand mobility **without triggering political rejection**

The Citizenship Premium as a “Rent”

According to Branko Milanović:

- Citizenship provides access to:
 - Higher wages
 - Better institutions
 - Greater opportunities
- Immigration = granting access to this rent

Political Perception

- Voters in rich countries see migration as:
 - **Redistribution from “us” to “them”**
- Especially strong resistance to low-skill immigration

Key Insight

- Migration policy is not just about movement
- It is distributive policy
- Native workers fear:
 - Wage pressure
 - Welfare strain
 - Loss of relative advantage

The Policy Challenge

- Open borders = politically infeasible
- Closed borders = economically inefficient and unjust

→ **Need intermediate solutions**

Proposed by

- Michael Clemens
- Lant Pritchett

Core Idea: “Unbundle Citizenship”

Move from binary status (0/1) → graduated rights

Examples of Transitional Regimes

- Temporary work permits (3–5 years)
- Limited access to welfare benefits
- Delayed family reunification
- Conditional or renewable residence

Policy Logic

- Reduce perceived costs for natives
- Maintain gains from labour mobility

Conclusion

→ A “second-best” approach:

expand migration while keeping it politically acceptable and economically beneficial

Reframing the Debate

Dani Rodrik asks:

- Not “what is just?” but
- How much more do we value citizens over foreigners?

The Key Parameter: ϕ (phi)

- ϕ = weight given to citizens vs foreigners

Interpretation

- $\phi = 1$ → perfect cosmopolitanism
- ϕ → very large → extreme nationalism

Thought Experiment

- 60 million migrants move to rich countries
- Migrant wages: \$500 → \$2,000 (×4 increase)
- Native wages: small decline (~3%)

Key Setup

- Welfare includes both:
 - Migrants (large gains)
 - Natives (small losses)

The Result: Even “Mild Cosmopolitanism” Supports Migration

Rodrik's Finding

→ Borders are justified only if:

$$\phi > 4.5$$

Meaning

- Citizens' welfare must count at least 4.5× more than foreigners'

Key Insight

If we value foreigners even a little (e.g. $\phi = 4$):

→ Migration increases total welfare

Why?

- Migrants gain massively (income ×4 or more)
- Natives lose slightly (a few % wage decline)

Conclusion

- We do NOT need full cosmopolitanism to support migration
- Even moderate concern for foreigners justifies more open borders

Final Point

→ Current border policies imply very high moral inequality between citizens and non-citizens

Core Insight of the Chapter

- Life chances are still determined by place of birth
- Citizenship functions as a valuable asset (“rent”)
- Borders act as mechanisms that allocate and protect this asset

Empirical Evidence

- Most inequality is between countries, not within
- Most people do not migrate
- Migrants often multiply incomes without new skills
- Remittances > foreign aid as a tool of redistribution

Key Interpretation

- Migration is not a disruption
- It is the most effective mechanism to convert geography into opportunity

A Deep Moral Divide

- Communitarian / nationalist view → justice within borders
 - Cosmopolitan view → equal moral worth globally
- No easy reconciliation: **different foundations of justice**

Political Reality

- Cosmopolitan policies → often trigger backlash
- Closed systems → produce:
 - Irregular migration
 - Precarious legal statuses

Policy Direction: Managing the Tension

- Unbundling citizenship → gradual, controlled inclusion
- Use tools like Dani Rodrik's ϕ :

Current restrictions require very high moral bias toward citizens

Final Message

- The real choice is not open vs closed borders, but:
- Use migration to reduce inequality

OR

- Preserve inequality through exclusion

Conclusion

→ Borders will remain —
but they can be designed for fear or for fairness.

The Climate Choice

The Climate Choice: From Consensus to Fragility

- Climate change has shifted from a marginal issue to the centre of global politics
 - Key milestones: Rio, Kyoto, Paris, Glasgow
- Early optimism:
 - Decarbonisation seen as necessary and achievable
- Today's reality: growing fragility of consensus
 - Energy price shocks
 - Geopolitical tensions
 - Populism and domestic pressures
 - Influence of incumbent industries
- Result:
 - Climate commitments are weakened, delayed, or reinterpreted
- **Key idea:**
The climate choice is not settled → it is an ongoing political process that can move forward or backward

1. Climate as an Economic Problem (Efficiency)

- Climate change = market failure (unpriced externality)
- Over-emission without policy intervention
- Core tools:
 - Carbon taxes
 - Cap-and-trade
 - Regulation & public investment
- Cost-benefit analysis (e.g. Stern Review):
- Weigh present costs vs future benefits
- Key challenges:
 - Uncertainty & catastrophic risks
 - Discounting future generations

2. Climate as a Justice Problem (Fairness)

- Central question: Who should bear the costs?
 - Rich vs poor countries
 - Historical vs current emitters
- Competing principles:
 - Equal per-capita emissions
 - Polluter pays / Beneficiary pays
 - Ability to pay
 - Broome's no-sacrifice approach

Core Tension:

Strong economic case for action vs. persistent disagreement on fairness

👉 Risk: no agreement at all

👉 Goal: align efficiency + justice → policies that are both fair and politically feasible

Are Governments Stepping Back from the Paris Agreement?

- The Paris Agreement remains the central global climate framework
 - Nearly universal participation
 - Goal: limit warming to 1.5°C / well below 2°C
- No formal collapse, but signs of political backsliding:
- Some countries signal withdrawal or weaken commitments
- Delays in implementation and net-zero targets
- Example: U.S. exit rhetoric and competitiveness concerns
- Current trajectory is insufficient:
- Existing policies → ~2.3–2.7°C warming
- 1.5°C carbon budget nearly exhausted
- Overshoot increasingly likely

Key issue:

The Agreement survives institutionally, but **collective ambition is eroding**

1. Domestic Political Constraints

- Climate policy vulnerable to:
 - Electoral cycles & shifting governments
 - Inflation, energy crises, cost-of-living pressures
 - Opposition from fossil fuel and industrial lobbies
 - Public resistance to perceived unfair costs

2. International Coordination Risks

- Paris system = voluntary commitments → relies on trust
- Risk of “race to the bottom”:
 - If major emitters weaken action, others may follow
 - Fear of losing competitiveness

3. The EU Case: Leadership Under Pressure

- Still committed:
 - Climate neutrality by 2050
 - –55% emissions by 2030
- But facing:
 - Energy crisis after Ukraine war
 - Political fragmentation & social resistance
 - Global competition (e.g. U.S. policies)

Core Insight:

- The main barrier is political, not technical
- Climate targets depend on:
→ political will, public support, and international trust

👉 Urgent task: **rebuild credible commitment** to sustain global climate action

Cost–Benefit Analysis of Climate Change (Stern Review)

The Stern Review (2006): first comprehensive economic analysis of climate change

→ Frames climate change as a trade-off:

- Present costs of mitigation
- Future benefits of avoided damage
- Core conclusion:

→ Strong early action is economically justified

Two key analytical pillars:

1. Uncertainty & Risk

- Climate outcomes are uncertain but potentially catastrophic
- Policy must consider:
- Probability of extreme scenarios
- Risk aversion & irreversible damages

2. Discounting the Future

- How much we value future generations' wellbeing
- Lower discount rates → justify stronger immediate action

Key insight:

Cost–benefit analysis depends critically on how we treat

👉 uncertainty + long-term ethical choices

Physical Basis of Climate Change

- Greenhouse gases (CO₂, methane, water vapor) trap heat
- CO₂ levels:
 - ~280 ppm (pre-industrial) → ~430 ppm today
 - Could reach 500–550 ppm by 2050
- Likely outcomes:
 - ~2°C warming at 550 ppm
 - Up to >5°C warming under business-as-usual

Major Projected Impacts

- Agriculture: declining yields in tropical regions
- Sea-level rise: coastal flooding, mass migration
- Catastrophic risks: ice-sheet collapse (Greenland, Antarctica)
- Extreme weather: stronger storms, droughts, famine
- Water scarcity: glacier loss
- Inequality: poorest countries hit hardest

Overall Consequences

- Large-scale welfare losses:

Economic damages

- Increased mortality & reduced life expectancy
- Harm to human and non-human life

Core Insight:

Climate change involves deep uncertainty + potentially irreversible damages

👉 Strengthens the case for early and decisive mitigation

Structural Challenges for Cost–Benefit Analysis

Two key features make climate change uniquely difficult:

1. Long Persistence of Emissions

- CO₂ remains in the atmosphere for centuries
- Effects are long-lasting and cumulative
- Today's emissions → irreversible future impacts

2. Global Externality

- Emissions mix globally within days
- Damages are shared worldwide, regardless of source
- Climate change = global public bad

Implications:

- National policies alone are insufficient
- Requires global coordination and cooperation

Cost–Benefit Framework

- Costs of mitigation:
 - Lower consumption
 - Investment in clean technologies
 - Structural economic changes

Benefits of mitigation:

Avoided future damages

👉 Climate policy = trade-off between
present costs vs global, long-term benefits

$$\delta = \rho + g\eta$$

- **ρ (pure time preference)**
 - How much we discount future welfare just because it is in the future
- **g (growth rate)**
 - Future generations likely richer
- **η (declining marginal utility)**
 - Extra consumption matters less in richer societies

Key Debate: Is Discounting Ethical?

- Standard view:
 - Some discounting justified
 - Reflects growth and observed behavior

Critical view (Tyler Cowen, Derek Parfit):

- Discounting future welfare is morally indefensible
- Equivalent to discriminating against future generations
- Can justify catastrophic harm for small present gains

Core Ethical Tension

- Efficiency vs intergenerational justice
- 👉 Choice of ρ (time preference) strongly shapes climate policy

Key Insight:

Climate decisions are not just technical

👉 They depend on ethical judgments about the value of the future

Limits of Simple Cost-Benefit Analysis

- Standard approach focuses on expected (average) outcomes
- But climate change involves:
 - Low-probability, high-impact risks

Role of Risk Aversion

- People care not only about averages, but about worst-case scenarios

Example (Insurance Logic):

- Pay €1,000 now (certain cost)
 - Or risk 0.5% chance of €200,000 loss
- 👉 Same expected value, but most choose certainty
- Avoiding catastrophe matters more than averages

Application to Climate Change

- Likely outcomes: serious but manageable damages
- But also “tail risks”:
- Ice-sheet collapse
- Runaway warming
- Ocean circulation disruption
- Ecosystem breakdown

👉 Small probabilities + massive damages = high policy relevance

Fat-Tailed Risks (Weitzman)

- Extreme outcomes have disproportionate importance
- Standard models underestimate true danger

Implications for Cost-Benefit Analysis

- Expected-value calculations → too optimistic
- Risk aversion → increases value of preventive action

Mitigation as Insurance

- Costs today = insurance premium
 - Benefits = reduced probability of irreversible catastrophe
- 👉 Even small reductions in extreme risks → huge welfare gains

Core Insight

- Uncertainty does NOT weaken climate action
→ It strengthens the case for early mitigation

Final Takeaway

- 👉 Climate policy is not just investment in average outcomes
- 👉 It is insurance against global, irreversible harm

Why the Case for Mitigation is Robust

Cost–Benefit Result

- Under almost all assumptions:
 - Benefits of mitigation > costs
- Even with:
 - High discount rates
 - Strong preference for the present

👉 Mitigation still passes the test

Only Exception

If we assume:

- Future generations matter extremely little
(ethically implausible)

Why the Conclusion Holds

- Long-lasting emissions
- Compounding growth effects
- Risk of catastrophic outcomes
- Large-scale, irreversible damages

Final Insight

👉 Climate action is:

- Not only a moral imperative
 - But also sound economic policy
- Early mitigation = high-return, forward-looking investment

A Simple Economic Case for Climate Action

The Cost of Inaction

- Climate damages $\approx$ -20% of future global income
- Equivalent to slowing growth:
 - From 1.3% $\rightarrow$ 1.2% per year
- Small difference, but:
 - $\rightarrow$ Compounds into massive long-term losses

The Cost of Action

- Mitigation $\approx$ 1% of global income per year
 - Clean technologies
 - Energy efficiency
 - Emissions reduction
- 👉 Manageable and predictable cost

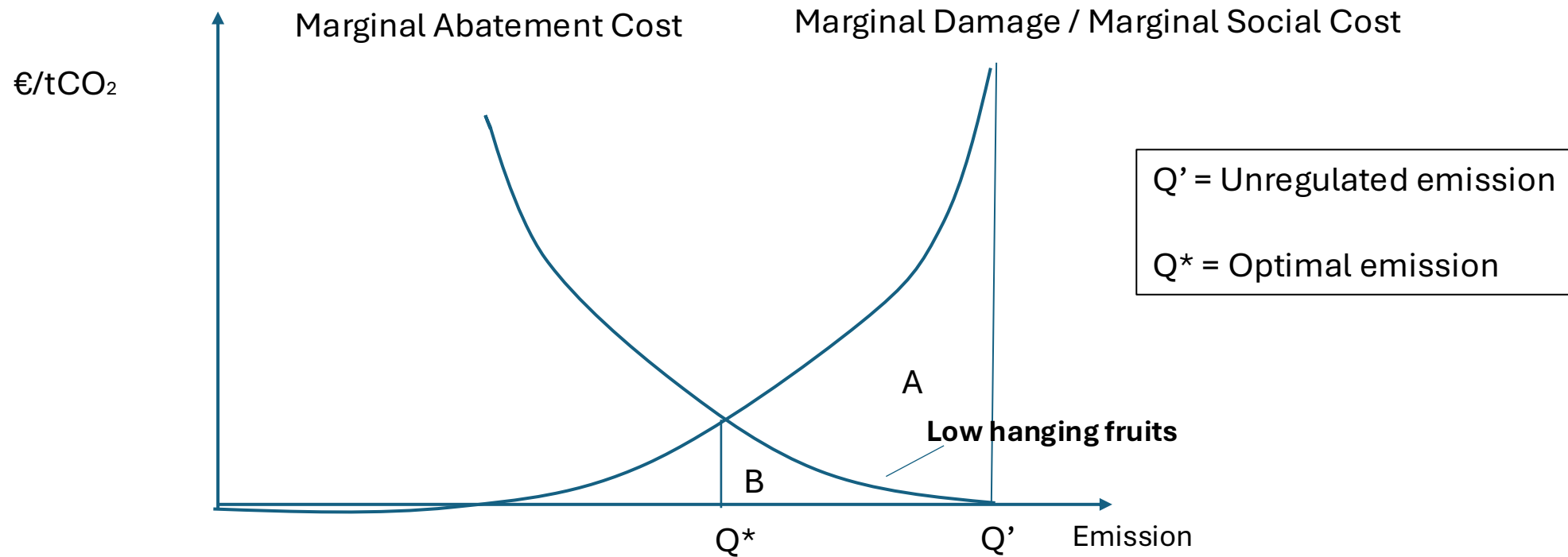
Core Question

👉 Is it worth paying a small cost today to avoid very large future losses?

Cost-benefit Analysis

Efficient Emission Control

A simple model



Total Benefit = A + B.

Total Cost = B

Net Benefit = Total Benefit – Total Cost = A

Climate Market Failure: Key Mechanism & Policy

Key Curves

- **MPC (Marginal Private Cost):**
 - Cost borne by firms when emitting
- **MSC (Marginal Social Cost):**
 - MPC + external damages (climate impacts)
 - Sea-level rise, heatwaves, crop loss
 - Ocean acidification, catastrophic risks
- **Marginal Abatement Curve:**
 - Cost of reducing emissions (rises with more abatement)

Market Failure

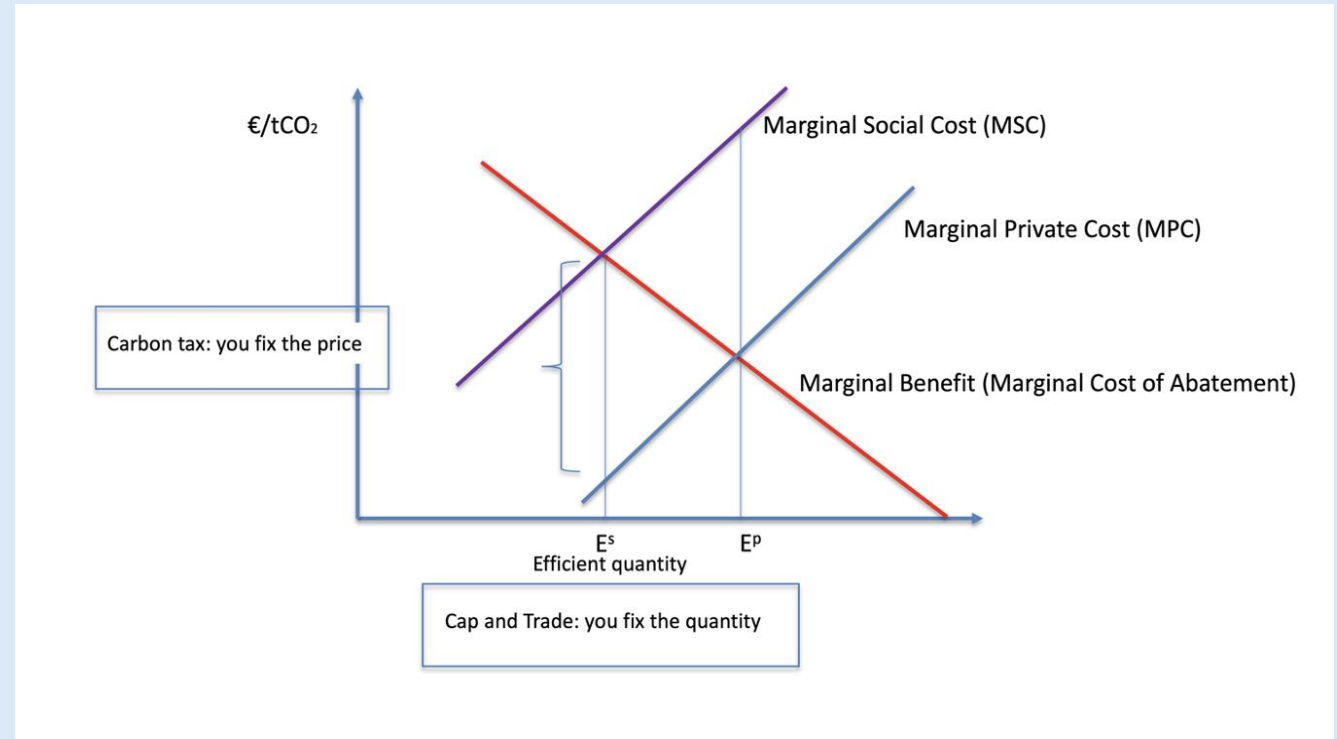
- Firms choose emissions at E^P (private optimum)
 - Ignore external costs
 - Social optimum at E^S (efficient level)
 - Where abatement cost = MSC
- 👉 Result: $E^P > E^S$ → over-emission

Welfare Loss

Gap between MPC and MSC → unpriced externality
Leads to deadweight loss for society

Policy Implication

- 👉 Solution: internalise the externality
- Carbon tax or carbon pricing
 - Set price = external damage per ton
- Align private incentives with social welfare



Core Idea

- Set a carbon price = Social Cost of Carbon (SCC)
→ Monetised value of climate damages

👉 Effect:

- **MPC shifts up → equals MSC**
- Firms internalise external costs

Outcomes

- Emissions fall to E^s (efficient level)
- Private incentives = social welfare
- Deadweight loss eliminated
- Economy reaches efficient allocation

Economic Consensus

Strong support for carbon pricing
(Pigou; Stiglitz & Stern)

👉 Carbon tax = most direct and efficient tool

Why Carbon Pricing is Difficult in Practice

1. Technical Uncertainty

- SCC depends on:
 - Discount rate
 - Future damages & tipping points
 - Economic growth paths
 - Catastrophic risks

👉 Estimates vary widely:

~\$30 → \$300+ per ton

2. Political Resistance

- Carbon taxes are:
 - Visible and politically sensitive
 - Potentially regressive

Key concerns:

- Voter backlash (e.g. protests)
- Industrial competitiveness
- Impact on low-income households
- Lobbying by vested interests

Policy Alternative: Cap-and-Trade

- Set emissions cap (quantity certainty)
- Issue tradable permits
- Market determines carbon price

👉 Ensures emissions reduction,
even if price is uncertain

Key Insight

👉 Carbon pricing is economically clear,
but politically and technically challenging

The Global Spread of Cap-and-Trade

Why Cap-and-Trade Has Expanded

- Combines economic efficiency + political pragmatism
- Less visible than carbon taxes → lower political resistance
- Costs embedded in permit prices, not explicit taxation
- Governments can:
 - Allocate some permits for free (transition phase)
 - Protect key industries while maintaining incentives

Key Advantages

- Environmental certainty → total emissions fixed by the cap
- Cost efficiency → reductions occur where cheapest
- Flexibility → firms trade permits
- Dynamic policy → caps tighten over time



Sends strong long-term signal for low-carbon investment

Major Systems

- **EU ETS (since 2005)**
 - Most advanced carbon market
 - Prices now ~€60–100 → strong decarbonisation incentives
- **China ETS (since 2021)**
- World's largest (by emissions covered)
- Expanding beyond power sector
- **North America**
 - California–Québec system
 - RGGI (power sector, eastern U.S.)
- Others: UK, South Korea, New Zealand
- Growing role in developing countries (Paris Agreement Article 6)

Global Impact

- Now covers ~25% of global emissions
- Rapid expansion from near zero in 2005

Core Insight

- Based on Pigouvian logic:
 - Price carbon = internalise externality

👉 Carbon pricing (tax or trading) =
central pillar of global climate policy

Final Takeaway

→ Global trend is clear:
carbon emissions are increasingly constrained by rising economic costs

From Efficiency to Justice: A New Climate Challenge

Economic Perspective (Clear but Incomplete)

- Climate change = market failure
- Solution: carbon pricing (tax or cap-and-trade)
 - Align private costs with social costs

The Real Challenge: Distribution

👉 Once emissions must fall:

- Who should reduce more?
- Who should pay?

Why This Is Difficult

- Mitigation has real economic costs:
 - Slower growth
 - Industrial restructuring
 - Energy transition
- Different impacts:
 - Developing countries → growth & poverty concerns
 - Developed countries → infrastructure & competitiveness

Core Insight

👉 Climate change is not just an efficiency problem
→ It is a global justice problem

Intergenerational Justice

- Duty owed to future generations
- They bear the costs but have no voice today

Conflicting Claims Between Countries

- Developed countries → shared responsibility now
- Developing countries → historical responsibility & right to develop
- Emerging economies → fairness via per-capita equality

Competing Principles of Justice

- Equal per-capita emissions
- Polluter pays
- Beneficiary pays
- Ability to pay
- Broome's no-sacrifice principle

Core Tension

👉 Justice vs agreement

- Insisting on “perfect fairness” → may block cooperation
- No agreement → greater global harm

Key Takeaway

👉 The challenge is to design policies that are:

- Fair enough to be legitimate
- Feasible enough to be agreed

→ Climate success depends on reconciling justice with practicality

Equal Per-Capita Emissions: A Fair Allocation of Atmospheric Rights

Core Principle (Peter Singer)

- All individuals have equal moral worth
- Atmosphere = shared global common

👉 Fairness requires:

equal emission rights per person

What This Implies

- Divide the global carbon budget equally across humanity
- No justification for unequal access to a shared resource

Illustrative Numbers

- Remaining 1.5°C budget: ~400 GtCO₂
- World population: ~8 billion

👉 Allocation:

~50 tonnes per person (lifetime)

~0.6 tonnes per year (to mid-century)

Reality: Massive Inequality

United States: ~15 t per capita/year

China: ~7–8 t

Sub-Saharan Africa: <0.5 t

Key Insight

👉 Equal per-capita emissions highlight deep global inequality in carbon use

→ Raises strong moral case for redistribution of emission rights

Implications of Equal Per-Capita Emissions

Benefits for Developing Countries

- Countries like India (~2 t per capita) gain developmental space
- Many low-income countries (e.g. Sub-Saharan Africa):
 - Receive excess emission allowances
 - Can sell permits to richer countries

👉 Results in wealth transfers North → South

→ Supports electrification, industrialisation, adaptation

Moral Justification (Henry Shue)

- Protects “subsistence emissions”
 - Emissions needed for basic human needs

👉 Ensures poorer countries can still develop

China: A Complex Case

- Per capita emissions: ~7.5 t (below U.S., but above global fair share)
- Would require large reductions under equal allocation
- Key argument:
 - Emissions enabled mass poverty reduction
 - >800 million lifted from extreme poverty

Key Limitation

👉 Equal per-capita approach:

- Ignores historical emissions differences
- Overlooks developmental achievements

Core Insight

→ Fair in principle, but

👉 **difficult to reconcile with real-world inequalities and history**

Equal Per-Capita Emissions: The U.S. Case

Current Situation

- Per capita emissions: >15 tonnes/year
- Historical emissions: ~400+ billion tonnes
→ ~25% of global total since 1750

Implications Under Equal Allocation

- Global fair share: ~0.6 tonnes/year

👉 Required:

- ~95% emissions reduction
- Large-scale purchase of emission rights from poorer countries

Political Reality

- Would imply:
 - Massive financial transfers abroad
 - Deep domestic economic restructuring

👉 Historically resisted (e.g. Kyoto Protocol rejection)

Strengths of Equal Per-Capita Allocation

Moral Appeal

- Based on equal moral worth of individuals
- Atmosphere = shared global resource

👉 Clear ethical principle:

equal rights → equal emissions

Advantages

- Simple and transparent rule
- Highlights global inequality in emissions
- Provides a strong moral benchmark

Key Insight

👉 Aligns climate policy with cosmopolitan justice and global fairness

1. Ignores Key Moral Distinctions (Henry Shue)

- No distinction between:
 - Subsistence emissions (basic needs)
 - Luxury emissions (non-essential)
- Overlooks historical responsibility

2. Political Infeasibility (John Broome)

- Requires massive sacrifices from rich countries
- Governments unlikely to accept such obligations

3. Risk of Deadlock

- Ideal fairness may block real-world agreement

Final Insight

- 👉 Equal per-capita emissions are:
- Morally powerful
 - But politically difficult to implement

→ Tension between ideal justice and practical feasibility

The Polluter Pays Principle (PPP)

Core Idea

- “Those who cause harm should pay for it”
- 👉 Responsibility based on contribution to the problem

Foundations

- Rooted in:
 - **Corrective justice**
 - Environmental law traditions
- Reflected in:
 - OECD (1972)
 - Rio Declaration (Principle 16)

Key Advocates

- Henry Shue
- Simon Caney
- Edward Page

Application to Climate Change

- Burdens allocated in proportion to emissions
- 👉 Major emitters → greater responsibility

Key Insight

- 👉 Climate justice = holding polluters accountable

Unequal Contributions to Climate Change

- United States: ~400+ GtCO₂ (~25% of total)
- Europe: similarly high cumulative emissions
- China: less than half of U.S. historical emissions
- India: far lower
- Many African countries: minimal contribution

Moral Implication

👉 Climate change = harm imposed by some on others

- High emitters:
 - Should lead in mitigation
 - Should finance adaptation & compensation

Why PPP is Compelling

- Links responsibility → obligation
- Reflects historical injustice
- Aligns with intuitive notions of fairness

Core Takeaway

👉 Those who benefited from past emissions should bear the largest share of climate costs

Strengths of the Polluter Pays Principle (PPP)

Subsistence vs Luxury Emissions (Henry Shue)

- Subsistence emissions → necessary for basic needs
- Luxury emissions → non-essential, avoidable
- 👉 Most historical emissions in rich countries = luxury emissions
- PPP assigns responsibility based on:
 - Quantity of emissions
 - Moral relevance of emissions

Fairness and Development

- High emitters:
 - Gained wealth from fossil fuels
 - Built infrastructure through carbon-intensive growth
- Low-income countries:
 - Still face energy poverty & development needs

👉 PPP ensures:

- Rich countries bear greater burden
- Poor countries retain development space

Key Insight

👉 Responsibility aligns with both causation and benefit from emissions

1. Historical Responsibility Problem

- Many emissions occurred before climate awareness
- Raises question:
 - Can actors be responsible without knowledge?

👉 Response:

- Shift from moral blame → causal responsibility

2. Intergenerational Fairness

- Should current generations pay for past emissions?
 - YES: they benefit from inherited wealth
 - NO: they did not directly cause the harm

👉 Unresolved tension

3. Political Feasibility (Broome)

- Requires:
 - Large emissions cuts in rich countries
 - Massive financial transfers (North → South)

👉 Governments often resist such obligations

Final Insight

👉 PPP is:

- Morally compelling
 - But politically difficult and incomplete
- Needs to be combined with other principles of climate justice

The Beneficiary-Pays Principle (BPP)

Core Idea

- Responsibility based on benefiting from harmful activities
 - 👉 Not “who caused the problem”
 - 👉 But “who gained from it”

Moral Claim

- Enjoying advantages from carbon-intensive development
 - creates duties to mitigate, adapt, and compensate

Key Thinkers

- **Henry Shue:**
 - Wealthy societies benefit from fossil-fuel-driven development
 - Benefits persist (infrastructure, health, security)
- 👉 Persistent advantage → ongoing responsibility
- Simon Caney:
- Distinguishes:
 - Causal responsibility (who caused harm)
 - Beneficiary responsibility (who benefits)
- 👉 Even without direct responsibility, beneficiaries owe duties

Relevance for Climate Justice

- Addresses cases where:
 - Original polluters are dead or unknown
 - But benefits and harms still exist

Key Insight

- 👉 Climate responsibility extends beyond causation
- Includes inherited advantages from past emissions

Beneficiary-Pays Principle (BPP): Strengths & Legal Foundations

Core Strength

- Addresses cases where:
 - Polluters are dead or unknown
 - But benefits and harms persist
- 👉 Responsibility based on inherited advantage

Support in International Climate Law

- Reflected in UNFCCC principle:
 - Common but Differentiated Responsibilities (CBDR–RC)

Key idea:

- Countries with greater capacity
- Are often those who benefited most historically

👉 Basis for:

- Climate finance
- Technology transfer
- Adaptation support

Key Insight

👉 Climate justice includes
who benefits—not just who caused harm

1. Diffusion of Benefits

- Industrialisation created global spillovers:
 - Technology, medicine, knowledge
- 👉 Problem:
 - If everyone benefits, how assign responsibility?
- Response:
 - Benefits are unequally distributed (mostly Global North)

2. Fairness of Inherited Responsibility

- Current generations:
 - Did not choose past emissions
 - May not accept inherited advantages
- 👉 Critique: unfair burden
- 👉 Response: focus on fair burden-sharing, not blame

3. Political Feasibility

- Implies:
 - Large financial transfers (North → South)
- 👉 Strong resistance in wealthy countries

4. Mixed Cases

- Countries like China, Brazil, South Africa:
 - Both beneficiaries and vulnerable
- 👉 Hard to assign clear responsibility

Final Insight

- 👉 BPP is:
 - Morally powerful
 - But incomplete on its own
- Must be combined with:
 - Ability-to-pay
 - Pragmatic, cooperative approaches

The Ability-to-Pay Principle (ATP)

Core Idea

- Climate responsibilities based on economic capacity

👉 Those who can pay more → should do more

Key Logic

- Climate change = collective problem with unequal capacities
- Fairness requires accounting for:
 - Wealth
 - Technology
 - Institutional strength

Philosophical Foundations (Rawls)

- Inequalities justified only if they benefit the least advantaged

👉 Implication for climate policy:

- Rich countries should:
 - Lead mitigation
 - Support vulnerable countries

Key Insight

👉 Justice = capacity-sensitive burden sharing

Policy Logic

- Similar to progressive taxation
- Wealthier countries:
 - Have greater fiscal space
 - Can invest more in:
 - Clean energy
 - Adaptation
 - Climate finance

International Framework

- Embedded in UNFCCC (CBDR-RC)
 - Reflected in the Paris Agreement
- 👉 Responsibilities linked to “respective capabilities”

Why ATP is Attractive

- Forward-looking (no need to assign blame)
 - Avoids disputes over:
 - Historical responsibility
 - Inherited benefits
 - Seen as more politically feasible
- Favoured by economists and policymakers

Final Insight

- 👉 ATP offers a pragmatic and workable basis for sharing climate burdens
- But may overlook deeper issues of historical justice

1. Disconnect from Responsibility

- Capacity $\neq$ causation
- Example:
 - Wealthy low-emitter (e.g. Norway) pays more
 - Poorer high-emitter pays less

👉 Violates intuition: polluters should pay

2. Incentives & Moral Hazard

- If obligations depend on wealth:
 - States may avoid reducing emissions if it affects growth
 - Poorer states may face weaker incentives to develop

👉 Raises concerns about long-term fairness and incentives

Key Issue

👉 ATP alone may ignore who caused the problem

3. Ignores Historical Injustice

- Wealth of rich countries partly built on:
→ carbon-intensive industrialisation

👉 ATP:

- Focuses on current capacity
- Overlooks origins of wealth and responsibility

4. Domestic Inequality Problem

- Treats countries as single units (GDP-based)
- Ignores inequality within countries

👉 Risk:

- Burdens fall on poorer citizens within rich states

Overall Assessment

- Strengths:
 - Practical and administratively simple
 - Aligns with capacity to act
- Limits:
 - Incomplete as a standalone principle

Final Insight

👉 ATP is:

- A strong baseline for burden-sharing
- But must be combined with:
 - Polluter-pays (PPP)
 - Beneficiary-pays (BPP)

→ Toward a more comprehensive and workable climate justice framework

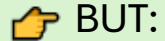
Broome's No-Sacrifice Principle: Rethinking Climate Policy

Starting Point (Broome)

- Climate policy is failing despite moral consensus
- Paris goals widely endorsed, but:
 - Weak implementation
 - Continued fossil fuel expansion
 - Insufficient national commitments

Diagnosis

- Climate change = clear moral injustice
 - Harm by rich, high emitters
 - Falls on poor & future generations



BUT:

- Moral appeals alone are ineffective
- Governments driven by:
 - Short-term interests
 - Political pressures
 - Powerful lobbies

Core Argument



Climate policy cannot rely on **voluntary sacrifice by current generations**

- Individuals may act morally
- States **often do not**

Broome's Key Insight

→ Shift from:

- Moral persuasion

→ To:

- **Institutional design aligned with self-interest**

Final Takeaway



Effective climate action requires:

- Systems where doing the right thing = rational choice
 - Not costly moral sacrifice

Broome's No-Sacrifice Principle: Rethinking Climate Policy

Standard Welfare Economics Logic

1. Emissions = externality
2. Externalities → Pareto inefficiency
3. ⇒ A policy could make everyone better off (no losers)

👉 Initial conclusion:

Climate policy could be “no-sacrifice”

The Problem: Climate Change is Intergenerational

- Policies affect:
 - Lifestyles, cities, mobility
 - Who exists in the future

👉 Different policies → different future people

→ Standard Pareto logic breaks down

Broome's Solution: Resource-Constrained Efficiency

A policy is efficient if:

- All current people are at least as well off
- Future generations inherit:
 - Resources no worse than today

Key Innovation

- Focus shifts from:
 - Comparing individual welfare

→ To:

- Preserving **resources across generations**

Final Insight

👉 Climate change creates resource inefficiency
→ Proper policy can:

- Avoid harming current populations
 - Protect future resources
- ✓ Climate mitigation can be “no-sa

Designing a No-Sacrifice Climate Policy (Broome)

Core Institutional Package

- Carbon pricing (carbon tax)
- Compensation for affected groups
- Government borrowing (shift costs to future beneficiaries)
- Global coordination (World Climate Bank + enforcement)

How It Works

1. Internalise the Externality

- Carbon tax = true social cost of emissions
- Drives shift to low-carbon economy
- BUT creates losers (workers, firms, households)

2. Compensation Mechanism

- Use tax revenues + borrowing to:
 - Cut other taxes / give transfers
 - Support vulnerable households
 - Fund transition for fossil-fuel workers
 - Buy out carbon-intensive assets

👉 Aim: no group worse off today

3. Intergenerational Transfer

- Borrow today → repay in future
- Invest in:
 - Clean energy
 - Green infrastructure

👉 Future generations:

- Bear some costs
- But gain greater benefits (avoided damages + better capital)

Key Insight

👉 Climate policy can be:

- Efficient + politically feasible
- By aligning self-interest, compensation, and long-term gains

→ “No-sacrifice” =

act now without making current generations worse off

The Core Problem: Free Riding

- Climate cooperation = prisoner's dilemma
- Each country tempted to:
 - Let others reduce emissions
 - Continue business as usual

👉 Example: reliance on others' mitigation while exporting fossil fuels

Proposed Solutions

- Enforcement mechanisms:
 - Border carbon adjustments
 - Trade penalties for non-cooperators
- Moral pressure still matters:
 - Public opinion
 - Social movements
 - Stigmatise free riders

Normative Trade-Off

- No-sacrifice does not correct injustice:
 - Polluters may be compensated
 - Inequalities remain

👉 “Like paying a bully to stop”

Why Accept It?

- Ideal justice → often politically infeasible
- No agreement → worse climate outcomes

👉 Second-best but workable solution

Final Insight

👉 Broome's framework:

- Aligns self-interest + cooperation
 - Reframes climate policy as win-win investment
- Essential for realistic global action despite ethical compromises

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- Essential for realistic global action despite ethical compromises

1. Justice Objection

- Polluters are paid to stop harming
- 👉 Like “paying a bully”
- Does not correct historical injustice
- Future generations may bear compensation costs

2. Maldistribution Objection

- No-sacrifice → no redistribution allowed
- Cannot reduce global inequality
- 👉 Climate policy separated from economic justice

3. Feasibility Objection

- Requires large-scale public borrowing
- Many countries face:
 - Debt constraints
 - Political resistance
- Proposal: World Climate Bank
- 👉 But requires unprecedented cooperation

4. Free-Riding Problem

- Still a global prisoner's dilemma
- Risk:
 - Countries benefit without acting
- Proposed solutions:
 - Tariffs
 - Political pressure
 - 👉 Not fully resolved

5. Normative Thinness

- Focus on efficiency over justice
- Downplays:
 - Responsibility (PPP)
 - Benefit (BPP)
 - Capacity (ATP)
- 👉 Risks reducing ethics to economic optimisation

Overall Assessment

- Strength:
 - Politically realistic
 - Aligns self-interest + incentives
- Limitation:
 - Does not fully address justice and inequality

Final Insight

- 👉 Broome's framework:
 - Does not replace moral principles
 - But shows they must be institutionally embedded
- Climate justice requires
both ethics and workable political design