ENE452

CLIMATE CHANGE AND ETHICAL CHALLENGES

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Question 1: The Cost of the Climate

1 Introduction

The cost of living has risen drastically in the last couple of years. Although this rise cannot be explained solely by the higher cost of renewable energy compared to traditional power sources, it paints a picture of a not-so-distant future where power is not taken for granted. From a Norwegian perspective, a large part of an average households' expenditures constitutes consumer goods which is highly sensitive to the price of power (SSB, 2018). This does not only include the power bill, but also the cost of transportation and food, which has not only increased by a large margin in 2022 and 2023, but the inflation has increased with it causing the general buying power of the median Norwegian to decrease significantly. In this academic essay I will lay out my thoughts relating to the ethical challenges of a disproportionate increase in the cost of living relating to the higher cost of climate friendly actions and policies. This essay will focus on the specific effects of higher energy prices relating to policies intended to help reduce emissions, with Norway used as the empirical framework.

2 Dicsussion

In order to present a coherent framework for this discussion, I will first present some assumptions which need to be met in order for my ethical considerations to be valid. Firstly, I will assume that consumer products which are more sensitive to the price of energy make up a much larger proportion of household income for lower-income households than high-income households. Secondly, I will assume that policies which are intended to reduce emissions, actually reduce emissions. Lastly, I will use the empirical evidence gathered from Menon Economics (2022) which tells us that emissions do not increase based on income among the 70% richest households in Norway as a framework to assume that only the lower class has low emissions, and I will not differentiate between middle class and the top 10%/5%. Given these assumptions there arrives a moral dilemma of sorts. The poorest in society are the ones who have the lowest emissions yet given the price effects of clean energy they are the ones who are left with the largest reduction in their buying power. Is this fair?

According to utilitarianism the question of fairness is based upon the greater good. If the second assumption holds true, than it implies that the hardship imposed on the poorest 30% of the population is a necessary evil if it results in overall benefits for society. This is often the veil which is used by climate activists and politicians when implementing such policies which implicitly increases the cost of power. The Norwegian word "dugnad", which lacks a good translation to English, is often used in the media as a legitimization of this utilitarian perspective. This implies that everyone has to contribute equally to solve a problem bigger than oneself. Where this logic fails is in its approach to fairness. Measured in units of currency, one might think that a rise in energy affects everyone equally. If Individual 1 uses 100kr on gas per month, and Individual 2 uses 200kr on gas, a 10% increase in price would constitute a relative *increase* in buying power for the Individual 1 with the lower initial spend (10kr vs 20kr). Therefore, many often legitimize such increases with the fact that the increase in price mostly affects those with higher consumption.

This perspective does not however consider the change in relative buying power between these two individuals. Let's say that Individual 1 has the monthly income of $Income_1$ and

Individual 2 has the monthly income of $Income_2$. In addition to this, assume that gas expenditures of Individual 1 constitutes 10% of his monthly income $r_1 = \frac{1}{10}$ and Individual 2 has gas as 2% of his monthly expenses, such that $r_2 = \frac{1}{50}$. Given a 40% increase in prices of gas, the monthly price of buying the same quantity q as before the price increase will increase by $r_1' = \left(\frac{1}{10} \cdot 1.4\right) - \frac{1}{10} = 4\%$ for individual who uses a higher proportion of his income on gas, whilst the other individual only sees an increase in $r_2' = \left(\frac{1}{50} \cdot 1.4\right) - \frac{1}{50} = 0.8\%$. When we consider income in terms of the monthly value addition generated by an individual's productivity, a price hike in a universally demanded commodity like energy disproportionately reduces the perceived consumption capacity of society. Notably, commodities with nearly uniform demand across different income levels, such as energy, have a more pronounced effect on lower-income households. Despite differences in wealth, basic human needs remain consistent - a wealthy individual cannot consume substantially more food than someone with lesser means, and both groups maintain a body temperature of 37 degrees Celsius. While affluent individuals may opt for higher-quality food and larger living spaces requiring more energy for heating, their fundamental needs align with those of less affluent individuals. This parity in basic necessities underlines why price surges in essential commodities like energy significantly and adversely affect households with lower incomes.

From a Kantean perspective, individuals should not be seen as means to an end. Applying this to the energy price scenario, policies that disproportionately impact the poor could be seen as using them as a means to achieve environmental goals, thus potentially violating Kant's categorical imperative. In this view, the situation could be deemed unfair as it fails to respect the intrinsic worth of all individuals, particularly the most vulnerable.

The ethical dilemma surrounding the impact of climate change policies on the poor versus the long-term effects of climate change itself on the same demographic is multifaceted and complex. On one hand, immediate measures to combat climate change, such as the transition to renewable energy, disproportionately affect the poor by increasing their cost of living, often at the expense of their immediate basic needs. On the other hand, the long-term consequences of unchecked climate change might disproportionately burden the poor, who are generally less equipped to adapt to extreme weather events, rising sea levels, and other related impacts. This presents a profound moral dilemma: how do we reconcile the immediate hardships imposed by climate policies with the potential long-term benefits, especially considering that the poor could bear the brunt of climate change's impacts? The concept of generational ethics further complicates this issue, as it necessitates considering the well-being of future generations. We are thus faced with the challenge of evaluating the ethical implications of present-day actions against their future outcomes, a task that requires a careful and holistic consideration of both immediate and long-term consequences on the most vulnerable groups in society. Balancing these competing interests calls for policies that are both socially equitable and environmentally sustainable, acknowledging the need for immediate support to those most affected by climate policies while not losing sight of the broader goal of mitigating future climate impacts. Assuming that there will always be a class divide within a population, I postulate that it is not ethically right to assume that the unknown environmental burden is of greater importance to the poorest in our society than meeting their basic human needs.

3 Conclusion

The exploration of climate policy ethics reveals a complex moral landscape, especially in its impact on different socio-economic groups. This essay argues that while renewable energy and climate-friendly measures are crucial for mitigating climate change's long-term effects, they often impose immediate economic burdens disproportionately on poorer communities. The challenge lies in balancing environmental conservation urgency with the needs of economically vulnerable groups. Policies reducing emissions, though environmentally beneficial, can increase living costs, particularly affecting lower-income households. This raises questions of fairness, as those contributing least to carbon emissions bear the brunt of these policies. The utilitarian view, focusing on the greater good, may neglect the hardships of these groups, while the Kantian perspective criticizes using the poor as means to environmental ends, ignoring their intrinsic value. Additionally, the essay examines generational ethics, stressing the importance of considering future generations alongside current populations. This aspect highlights the long-term effects of climate change, which could disproportionately harm the poor due to their limited adaptation resources. The essay's central thesis is that combating climate change, while vital, should not compromise the basic needs of the most vulnerable. A balanced approach is needed, one that combines environmental sustainability with social equity. This approach should offer immediate relief to those impacted by climate initiatives and lay a sustainable foundation for the future, ensuring that the pursuit of a greener future does not worsen existing inequalities but moves towards a more equitable, just society.

Bibliography

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