

Guardian November 1995: "Who says that life is cheap?"

When an impoverished viola player dared to take on a world renowned economist over whether a cash value can be put on human life, the outcome looked inevitable. As global warming experts meet this week, Richard Douthwaite reports on how an individual can help change world thinking

CAN one put a cash figure on the value of the human lives which will be lost as a result of global warming? Is there a monetary figure for the worth of the species which will become extinct and the coastal plains and islands which will be submerged by rising seas? Most ordinary people would probably say not. But environmental economists are not ordinary people.

In May 1993, the Intergovernmental Panel on Climate Change - the world body of scientists charged by the United Nations to investigate every possible aspect of climate change and who only last week confirmed that the phenomenon is with us and has been partly induced by mankind - commissioned some 100 of the most eminent among them to investigate the socioeconomics effects of climate change. The economic tool with which they hoped to make climate change a decision-making objective was "cost-benefit analysis" (CBA).

This involves estimating the cash value of all the damage likely to be done by global warming and comparing it with the cost of acting to slow warming down or to stop it completely. The "efficient" solution, the economists were to argue, was only to pay as much to stop warming as the benefits from stopping it were worth.



It was left to two extraordinary ordinary people to point out that these economic emperors had no clothes.

One was a north London housewife and mother, Anandi Sharan; the other, a self-confessed obsessive about climate and equity, was a former viola player with the London Philharmonic Orchestra and ballet score composer, Aubrey Meyer.

With tickets paid for at the last minute by a widow in Leamington Spa following a piece in these pages, they flew out to Montreal in 1993 under the banner of the minute, underfunded Global Commons Institute. They checked into the YMCA and walked over to the IPCC meeting at which the report was being planned. Jim Berreen, a former ecology lecturer and co-founder of the GCI and I went along as observers.

We sat at the back of the conference hall, behind the national delegations and alongside blue chip environmental organisations such as Greenpeace and anti-environmental ones representing US coal and oil companies. We had a button to alert the chairman when we wanted to speak, two microphones and a red light to tell us when we were "on". Whenever he spoke, the hall's sound system made Aubrey's faint South African accent so pronounced he sounded positively menacing.

It quickly became clear that the question the IPCC thought the report ought to answer was: "How much global warming can be stopped without seriously slowing the rate of world economic growth?" The idea of asking the economists to advise on the best way of stopping warming entirely did not seem to arise.

Professor David Pearce of University College London, a world authority on cost-benefit analysis, shared the IPCC view and argued in a paper that slowing down warming would inevitably involve costs. By this he meant that world output would inevitably be lower if restrictions were placed on the use of fossil fuel.

Aubrey went on the attack, arguing that the world economy was not operating at anything like maximum efficiency at present, given the massive unemployment and waste of resources worldwide. As a result he said, no economist could prove that using less fossil fuel, more human labour and radically different technologies would inevitably leave the world's human population worse off. And if world output was not lower there would be no world cost although there might be a cost for the OECD nations, whose rate of consumption might have to fall.

In the world economy, he pointed out one man's cost is another man's pay packet. Consequently, the redistribution of income that would result from a strategy of low fossil fuel use could well lead to higher levels of output of certain goods, such as education, basic foods and clean drinking water, and leave billions of people better off. And that would be on top of securing the undisputed benefits of stopping global warming.

Prof Pearce agreed, but argued that this did not change anything and the meeting took its planned course. A working group, WGIII was set up to write the report. Pearce was appointed to the writing team for the cost-benefit chapter; The Social Costs of Climate Change; Greenhouse Damage and the Benefits of Control.

Aubrey and the GCI were horrified when the first draft of this chapter was circulated a year ago. He called it, "the economics of genocide" because it costed the lives that would be lost as a result of warming in poor countries at \$100,000 just a fifteenth of the value of lives in wealthier ones. Other Third World damage was marked down too.

The draft's overall finding was that the industrialised countries - those causing climate change - would suffer twice as much damage as all the rest of the world, although they have only 20 per cent of the world population and occupy less than 20 per cent of the world's land area. This was despite the fact that the draft itself showed that 85 per cent of all the low-lying land that is estimated will be lost because of rising sea levels would be in developing countries, as would three-quarters of the reductions in fresh water supplies and 78 per cent of the extra deaths.

The draft also purported to show that the cost of reducing greenhouse gas emissions would probably be greater than 2 per cent of Gross World Product (GWP). While the losses if greenhouse gas emissions were not curbed would amount to only 1.5 to 2 per cent of GWP. The implication, Aubrey argued, was that if these figures were allowed to stand it would mean that the world community would do very little to slow the warming because it would believe it was cheaper not to. Pearce and his team had arrived at these figures by estimating how much people would be willing to pay to avoid a higher death rate or having their land flooded. As people in poor countries can't offer to pay very much, their deaths and the damages they will suffer were valued at much less than in wealthier countries, skewing the international distribution of the cost.

Although this technique, the "willingness-to-pay" method, is widely used in CBA, other economists argue it should be applied only when a development produces a benefit, and not to value things as they are. But Pearce's team chose not to use the "willingness to pay method". This would have asked people whose island homelands will disappear how much compensation they would require from fossil fuel users to accept their fate with equanimity. This approach would obviously have led to entirely different results.

Aubrey, working full-time and alone from his tiny bedroom in Willesden, north-west London, went on the attack. He began circulating a letter to eminent people all over the world, protesting at the unequal life valuation and seeking their support. He collected 500 signatures, some from authors working on other sections of the IPCC report. It generated international press coverage. (Pearce later described it as, "a silly campaign of misinformation and abuse").

Aubrey went further. To show how unreliable the draft chapter's figures were and how much they depended on the assumptions on which they were based, he and Tony Cooper, a statistician, recalculated them. using the same damage figures throughout the world. They also made allowances for possible positive feedbacks the official writers had ignored.

Their results were dynamite and were published in a special peer reviewed paper by the Ecologist magazine. They showed the level of uncertainty surrounding the effects of warming to be so great that by the year 2050, the annual losses could amount to anywhere between 12% and 130% of GWP -that is, the total value of everything produced in the world in a year. At the higher end of this range, life as we know it would collapse.

For the OECD countries, the damage could be anywhere between 0.6% and 17% of annual output, and for the rest of the world, between 25% and 250%. In other words, life in the Third World could become impossible and the number of people dying there annually from storms, disease and starvation could be very much higher than the 113,000 that Pearce and his colleagues estimated.

The IPCC tried to get national delegations to approve their draft report at a meeting in Geneva in June this year. It very nearly succeeded but, largely as a result of the signatures campaign, there was widespread unease about the Pearce section and the chairman, James Bruce of Canada sent it to a private, governments-only committee for consideration. The committee's recommended wording came back to the full meeting just 10 minutes before it was due to end with the disputed estimates still included.

A vote was taken to approve the wording as a package. It was passed. The meeting was declared closed.

Aubrey thought all was lost, but the Cubans had been in the queue to speak just before the gavel came down. When this was pointed out, Bruce was obliged to reopen the meeting. The Cubans then rejected the amended wording outright because GCI's arguments had not been answered. When Brazil backed the Cubans with a formal protest Bruce had no option but to call a meeting specially to settle the issue. It took place in Montreal three weeks ago. In the three months between the Geneva and Montreal meetings several unsuccessful attempts were made to get the Pearce team to modify their draft. *"We won't be revising it."* Pearce told Fred Pearce, of New Scientist. *"This is a matter of scientific correctness versus political correctness."*

In Montreal, pressure was put on the Pearce team to incorporate the GCI range of damage estimates. They refused, leaving the IPCC with the choice of dumping their chapter entirely or leaving its figures out of the Policymakers' Summary—the only part of the report over which the UN body had direct control. In the event, the chapter was not dropped, but the summary effectively disowns it, stating that, "the value of life has meaning beyond monetary value".

It was a triumph for Aubrey; but why has everyone been happy to leave him and his handful of friends to fight what is patently absurd. What was the British government thinking of when it generously grant aided Professor Pearce's IPCC work. Why was his team so determined to produce figures that show that little need be done about warming that they refused to accept even the possibility of much worse damage happening? Was it that they couldn't see that at least as much growth could be generated building a new type of economy as it can by tinkering with the old?