

The Ethics of Economic Growth

Tyler Cowen

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In this month's issue, **Tyler Cowen** begins the discussion by drawing on themes from his new book, *Stubborn Attachments: A Vision for a Society of Free, Prosperous, and Responsible Individuals*. Cowen argues for the ethical importance of long-term growth and civilizational stability.

We've invited an ethicist, a sociologist, and an entrepreneur to discuss the many implications of this short but powerful book. They are, respectively, **Prof. Agnes Callard** of the University of Chicago, **Joshua M. Kim** of Dartmouth University's Center for the Advancement of Learning, and **Eli Dourado**, formerly of the Mercatus Center and now with an entrepreneurial startup. Each will have a somewhat different perspective on the key questions of Cowen's book: How much should we value future economic growth? What does that mean in the present? What choices should we make today so that future generations may be happier and wealthier, and which trade offs or sacrifices should we accept to that end?

Lead Essay

The Case for the Longer Term

Tyler Cowen • January 9, 2019

In *Stubborn Attachments: A Vision for a Society of Free, Prosperous, and Responsible Individuals* I argue that we should have two and only two “stubborn attachments” in our social philosophy:

- Sustainable economic growth
- Absolute human rights

Of those two concepts, economic growth is the focus of the book, and the key point is that economic growth has ethical value. More broadly, I argue for a perspective which is more forward-looking, more oriented toward investment, more respectful of common sense morality (which I see as growth-enhancing), calling for more epistemic humility on the small questions and questions of implementation, and also more utopian in the sense of asking people to focus their attention on how we might make the future a much, much better place, most of all through the medium of economic growth.

If you find it useful to ask whom a book alienates, I would say the emphasis on growth runs contrary to much of the discourse amongst left-wing progressives and egalitarians, and the focus on sustainability might turn off many of those on the current political right.

Behind all that are particular pieces of argumentation, a few of which I will try to summarize.

First, the fundamental problem of moral judgment addressed in the book is one of *aggregation*. If a choice or policy makes some people better off and others worse off, how are we to weight those competing interests? I respond by finding one case where aggregative judgments are relatively unproblematic. In particular, I believe that life in a much wealthier society is better for virtually everyone. It is much better to live in the United States than Albania, or better to live in Denmark than Burkina Faso. Alternately, you might say that Denmark today is a much better place to live than say Denmark in 1930.

Second, I work backwards from those judgments. If significantly greater wealth is indeed a positive social good, which choices can we in fact endorse? We can endorse

choices that bring us to the much wealthier state of affairs, namely higher rates of sustainable economic growth.

As an aside, but an important one, my concept of wealth is broader than most current measures of GDP. We need to adjust GDP for instance to take into account environmental sustainability, the value of leisure time, and the value of possibly unmeasured social indicators, noting that many of the latter are in fact indirectly reflected in GDP. For instance, health matters above and beyond wealth, but still a healthier population is likely to be more productive.

Third, the power of compound returns remains underrated. In the early 1960s, South Korea was as poor as much of sub-Saharan Africa, but since then compound returns have made for a huge difference. Or considering the years 1870 to 1990, if the United States had grown one percentage point less per year, the country would in 1990 have had the same standard of living as Mexico. More abstractly, if you can boost the growth rate by two percentage points a year (by no means a utopian scenario for many emerging economies), after a time horizon of 55.5 years income will be three times higher than it otherwise would have been. Compound growth truly matters.

Fourth, we should not discount the future well-being of humans and also future humans. Significant gains or costs in the future should not dwindle in moral importance simply because they are distant in time. You don't have to believe the discount rate on future well-being should be exactly zero in all circumstances; it suffices to regard the ability to bring about a much, much better and sustainable future as having decisive weight in our current choices. Furthermore, you can believe in this treatment of well-being without denying the appropriateness of the positive discounting of financial flows in a variety of settings, including corporate decision-making.

Fifth, I believe there are some absolute human rights, and in the book I present those as a constraint on policy. But I did not intend *Stubborn Attachments* to be a treatise on rights, as I do little more than mention their existence. I don't try to set out their scope, rather I wished to mention that they fit into my moral framework comfortably, and the concept serves as a kind of placeholder in the argument.

More generally, I am a pluralist and not a utilitarian or even a pure consequentialist. A wealthier society isn't just happier, it carries along many other plural values. It produces more creativity, and it gives more people access to the creativity of others. Workplace relations tend to be kinder and more tolerant, and you can find that to be a positive good above and beyond its contribution to individual happiness. Or what if you value discovery? The wealthier society gives people greater access to revelatory books, life-altering travels around the globe, and psychedelic experiences, typically without forcing those on anybody.

I would say that the utilitarian has good but still modest reasons to favor greater wealth past a particular threshold of comfort. The pluralist has strongly compelling reasons to do so. *Stubborn Attachments* is mostly a consequentialist book, but it is pluralist rather than utilitarian. Truth, beauty, and justice can all matter, above and beyond how much they are reflected in individual preferences, happiness, or other more

mono-valued standards. That increases our obligation to make the world as good as possible.

In practical terms, a regime of maximizing growth is largely capitalistic, but with government supplying important public goods, including environmental protection, which is necessary for the sustainability of civilization. I see some forms of redistribution as being growth-enhancing (e.g., programs to combat malnutrition), but I oppose income and wealth redistribution insofar as they damage the prospects for economic growth. In many instances redistribution creates excessive implicit high marginal tax rates for the recipients of the largesse, or the background high taxes may stifle private enterprise from the wealthier parts of the economy. In part the book is arguing that the economic growth concept, properly understood, will do more for poverty reduction and other social goods than will traditional egalitarianism.

Stubborn Attachments embraces the idea of epistemic modesty on many of our particular policy views. As an economist, I would say we have a pretty good idea which policies might damage economic growth, but we are far less certain which policies will significantly boost growth. That said, in many settings we do have *some* idea, albeit not a firm one. So you might promote an idea to maximize growth that has a two percent chance of being right, believing that all the other ideas to maximize growth each have only a correctness chance of one percent (I am deliberately oversimplifying here for purposes of exposition, obviously the entire distribution matters as well). In that setting, you should not be very dogmatic about your particular policy views, even though you see them as the ones most likely to be right, relative to the alternatives.

I see this epistemic modesty as a feature of the argument, not a bug.

It is not easy to forecast the distant future, and it is not easy to set out to create a concrete benefit say 37 years from now, much less 80 years from now. I don't view those realities as damaging the arguments of *Stubborn Attachments*. In most settings, the best thing we can do for the more distant future is to invest in quality institutions, and good norms and rules. We should in fact do that obsessively. In a wide variety of possible futures, those institutions are likely to pay off in favor of the more distant future, even if we cannot foresee the exact details of the future scenario. So *Stubborn Attachments* is also an argument, albeit a somewhat indirect one, for focusing on institutional quality.

Once investment in the future is understood in these terms, an extreme future orientation does not lead to absurd levels of current sacrifice or counterintuitive conclusions about our obligations toward the future. Most of my arguments and conclusions are, upon examination, pretty close to common sense morality.

That same common sense morality is not so far from what is likely to maximize future economic growth. We should work hard, save and invest, be loyal to our families and friends, and so on. Given the notions of decentralized information and comparative advantage, such a morality is likely to perform better than one of extreme material sacrifice, as is suggested for instance by philosopher Peter Singer in his writings on charity and redistribution. I also regard this as a positive feature of my theory, namely

that growth maximization does not take us too far from what we know humans are capable of, or what might find to be an attractive lifestyle. Parts of East Asia have in fact pursued growth maximization successfully, but no society I know of has been based on Singerian principles or anything close to them.

That said, altruism still can both boost growth and serve humanitarian ends. At the margin, virtually all of us still should do more to help the future and also should do more to help other people, including with growth-enhancing charity.

With *Stubborn Attachments* I have tried to build a case for the rationality and defensibility of economic growth, capitalism, and a focus on the stability and sustainability of civilization. Such a case does not require us to repudiate human nature as we know it, but still it gives useful advice about how, at the margin, we might do better than the status quo.

The classics of political philosophy deal with wealth and economic growth awkwardly at best. John Rawls, in his *Theory of Justice* and elsewhere, was suspicious of economic growth outright. Rawls feared that the savings rate of the first generation would lead to deprivation, and a diminishment of the well-being of the worst-off group (that first generation), and so he toyed with John Stuart Mill's idea of the stationary state. Robert Nozick evinced a good understanding of markets in his *Anarchy, State, and Utopia*, but still he focused on individual libertarian rights as an underpinning for a free society. Like Nozick, I believe in individual rights, but I don't think they settle most questions, and I don't find modest levels of taxation under democratic conditions to be morally problematic.

In part I wrote *Stubborn Attachments* to respond to Derek Parfit's *Reasons and Persons*, first published in 1984. In that wonderful book, Parfit wondered whether consequentialist reasoning could in fact produce coherent recommendations, for either individuals or societies. Yet there is no talk in *Reasons and Persons* of economic growth, or how a much better future might help resolve aggregation problems. Nonetheless Parfit did produce an important appendix on why the social discount rate should be zero, and you can think of *Stubborn Attachments* as trying to think through the broader implications of that argument.

Effective Altruism is a recent movement that has tried to bring – admirably – greater reason and social science to altruistic decisions and charitable giving in particular. I am a fan of that approach, but a lot of the Effective Altruism discussions I have heard have given short shrift to economic growth, and in this regard I am trying to revise and improve Effective Altruism.

You should always ask what are the weakest points of any book, including this one. For me, it is the fear that progress has a mean-reverting character and that improvements end up as temporary rather than sustainable. In that case, the idea of enduring benefits would be an illusion, and even if pursuing such benefits were a good recommendation we might end up with the empty set in terms of policy recommendations. Historical pessimism would trump my recommendations, and we would be devoting our energies to the proverbial rearranging of the deck chairs on the Titanic.

Furthermore, *Stubborn Attachments* gives little guidance on how to offset the claims of humans versus the claims of nature. The benefits of economic growth are specified for human beings, and it is less clear that such economic growth is good for the animal kingdom as a whole, given the encroachments of humans and also the tortures of factory farming. If it is any consolation, however, I don't think other philosophers have solved that problem either. Utilitarians, for instance, offer no plausible guidelines for weighting the well-being of non-human animals versus the well-being of humans, nor have they shown how it might be feasible to follow such guidelines.

In the meantime, I say economic growth, full steam ahead.

Response Essays

How Liberals Can Be Wrong on Growth but Right on Policy

Joshua M. Kim • January 11, 2019

We progressives can't seem to get our heads around the power of compound growth. This blind spot causes my tribe to make all sorts of cognitive errors. Mostly, we over-worry about the future. Where we should be telling our kids (and our students) that their lives will be better and richer in almost every way imaginable, we instead burden them with fears about joblessness and ecological disaster.

Those of us on the left also tend to make the same mistake in the other temporal direction, under-appreciating how much better the world of today can be along measures of work, health, shelter, and leisure when compared to that of our great grandparents.

Tyler Cowen gets the power of compounding exactly right in both his essay and his wonderfully concise book *Stubborn Attachments*. It is worth quoting Tyler's essential paragraph on this point in full:

[T]he power of compound returns remains underrated. In the early 1960s, South Korea was as poor as much of sub-Saharan Africa, but since then compound returns have made for a huge difference. Or considering the years 1870 to 1990, if the United States had grown one percentage point less per year, the country would in 1990 have had the same standard of living as Mexico. More abstractly, if you can boost the growth rate by two percentage points a year (by no means a utopian scenario for many emerging economies), after a time horizon of 55.5 years income will be three times higher than it otherwise would have been. Compound growth truly matters.

Even at modest economic growth rates of less than 2 percent a year, by 2050 GDP per capita (in constant dollars) in the United States will rise from around the \$60K it is now to closer to \$90K. While the economies of China and India will likely be larger than that of the United States by 2050, the United States will continue to be two to four times wealthier on a per capita basis. More importantly, the United States in 2050 will be a much wealthier place as a whole than it is today, with an economy at even the low sub 2 percent growth rate growing in size from under \$20 trillion to over \$35 trillion.

And that is assuming low growth. Certainly much lower than I expect that Tyler, and other readers of *Cato Unbound*, are hoping to see. If we just muddle along, as a result of political gridlock or decisions to follow the policies of politicians with other values beyond maximizing economic growth, then our kids and grandkids will be much better off than we are.

Imagine if all of us progressives were persuaded by Tyler that the most moral thing we could do is to focus on encouraging economic growth. Raising growth rates by even a percentage point would bring about, due to the magic of compounding, the sorts of quality of life improvements that benefit everyone across the income distribution. Economic growth has historically underpinned transitions in health (antibiotics and sanitation), education (universal secondary completion and postsecondary opportunities), and connectivity (jet air travel, the internet, and smartphones). A society that is twice as wealthy is likely to be twice as likely to find a cure for cancer, provide quality housing for everyone, and produce TV shows even better than *Game of Thrones*. The faster economic growth can be unleashed, the sooner we will get to a world where tomorrow's bottom 20 percent will live lives that resemble the top 20 percent of today. If economic growth is prioritized, sooner or later we are all driving Tesla's and spending our (growing) leisure hours at the spa.

So what is the problem? Is it simply that we progressives need to get better at math? Or is it that while we liberals are wrongly worried about the future, and underappreciative of how far we've come, we are also appropriately cognizant of trade-offs? The real question is not whether economic growth should be prioritized. Of course it should. Rather, we need to grapple with what trade-offs we are willing to make to achieve better growth. Tyler is maddeningly difficult to pin down on the questions of trade-offs. What he does say about how his growth-first philosophy may play out is worth quoting in full. Tyler writes,

In practical terms, a regime of maximizing growth is largely capitalistic, but with government supplying important public goods, including environmental protection, which is necessary for the sustainability of civilization. I see some forms of redistribution as being growth-enhancing (e.g., programs to combat malnutrition), but I oppose income and wealth redistribution insofar as they damage the prospects for economic growth. In many instances redistribution creates excessively implicit high marginal tax rates for the recipients of the largesse, or the background high taxes may stifle private enterprise from the wealthier parts of the economy. In part the book is arguing that the economic growth concept, properly understood, will do more for poverty reduction and other social goods than will traditional egalitarianism.

What I gather is that at the point that a policy choice is made, that the growth vs. redistribution question should be called. If the policy achieves redistribution by sacrificing (or impeding) growth, then it should be discarded. Conversely, if the policy results in more growth - even at the cost of greater inequality - then it should be supported. Fair enough.

Let's apply this growth over redistribution heuristic to some real-world issues. Two come quickly to mind: public support for higher education and minimum wage laws. I picked these two as neither touch Tyler's other concerns around protecting the environment. They are each clear-cut cases in which traditional liberal policies will tend to prioritize redistribution over economic growth.

As a progressive, I very much want to see greater public investment in public higher education. I worry a great deal about state-level disinvestment and systemic underinvestment in our public institutions, particularly our community colleges. I'd be in favor of everyone paying higher taxes, and the wealthy paying progressively more, if those tax dollars were used to allow more people to receive a quality postsecondary education and to graduate with less debt.

Yes, I know that some non-trivial percent of public funds will be wasted on non-productive postsecondary educational expenses. (Just as I know that some percentage of the tuition dollars that I now pay for my two kids in college will be wasted). And I'm aware that dollars spent on public higher education are dollars that are no longer available for the investments that will grow societal wealth. Each dollar that goes to a community college is a dollar less that can fund a company's risky bet on a new technology that may ultimately give us whatever comes after the iPhone, or perhaps leads to a cure to cancer.

Still, I believe so much in the idea that higher education is the greatest opportunity-creating engine that I want to see a quality postsecondary educational experience available to everyone. I'm willing to trade some economic growth for some economic (or opportunity) redistribution. What I need is for Tyler to convince me that my desire to redirect scarce dollars to public higher education (especially community colleges) and away from all those wonderful economic growth-inducing activities is soft-headed and self-defeating. I need to see how a dollar spent today on a community college results in so much less than could be achieved if that dollar were directed by the market.

The same goes for my other example of minimum wage laws. I don't need to spell out the arguments, as you know where this goes. I believe that everyone who works should earn a living wage. I'd like to see the minimum wage grow to a place where a full-time worker can reasonably support themselves and a couple of kids. \$15 an hour seems about right to me. And I'm willing to pay more for my meals and my clean house and my kid's childcare to get to this point.

I'm willing to invest less of my money in the stock market and more of it in the people who do the actual work that makes life in 2019 America so great. The argument against setting a higher minimum wage usually comes down the unintended consequence of suppressing employment. Higher minimum wages mean more unemployment. That debate goes round and round. Tyler should argue about the impact of minimum wage laws on economic growth, and then play out that impact into the future with compounding. I'm ready to be convinced.

Given that compounding will almost certainly result in my kids (and their kids) being much wealthier than us, even with the mediocre economic policies for growth

of my fellow liberals, why should I support policies that will make those grandkids even wealthier? Unless we really screw things up, our descendants will be as better off compared to us as we are to our great-grandparents. (Which is quite a lot).

Don't we have some room to think about spreading the wealth that the hard work of our ancestors have provided us a little bit more evenly among our fellow Americans? I'm willing to be convinced that compounding should trump all other concerns.

I just need Tyler to get specific.

A Strange Argument for the Commonplace

Agnes Callard • January 14, 2019

Arguments tend to begin from plausible premises and end in novel or counter-intuitive conclusions. They leverage what is palatable to force feed you what you find harder to swallow. Tyler Cowen's *Stubborn Attachments* may be the first work of philosophy to travel the opposite road: it moves from the radically counter-intuitive to the status quo.

Cowen's starting point could be described as utilitarianism run rampant—by which I mean, utilitarianism unconstrained by temporal discounting. Utilitarianism is the moral theory that instructs us to evaluate a proposed course of action in terms of the sum of its consequences for human welfare. Temporal discounting says that the farther away something is in the future, the less important it is. Rejecting temporal discounting means giving full voting rights to future people—the impact of your action on people alive now is no more significant than its impact on the next generation, or the one after that. The utilitarian slogan is, “the greatest good for the greatest number,” and on Cowen's understanding, that number is large indeed: it includes everyone who will ever live.

On an even a vaguely optimistic construal of the prospects of the human race, the vast majority of people have not yet lived. It follows that the effects of, e.g., a particular trade policy on the lives and fates of everyone in China and the United States is a trivial consideration compared to its effects on *all the human beings who are to come*. Cowen wants us to dispense with the blinders of spatio-temporal contingency: just as we should overcome the prejudice that leads us to give preference to those physically proximate, we should stop assuming that human lives decline in value as they recede into the future. But those blinders form a big part of how action, and preference, and decision are possible for us.

Benefiting future humans poses a much worse version of the kind of problem we face when we want to buy a gift for a teenager we last encountered as a toddler: in order to help someone, you need to understand how they live. In a thousand years, are we all computer programs?

It is counterintuitive in the extreme to think of myself as acting with reference to a future so distant I cannot even envision it. What happens here and now is what I can

control—it is, as Aristotle said, “up to me”—the downstream thousand-year effects are so far outside my ken that they do not seem “mine.” Nonetheless, according to Cowen, those effects really matter. It is as though I am operating a puppet who is operating a puppet who is...leading to some (hopefully) large forms of happiness, somewhere down the line. The most important good I do is one I will never see or know, and perhaps comes in a form where I cannot even envision it as good.

So much for premises. Now let us look at Cowen’s conclusions. What does he think we ought to do, given that the most important practical considerations are profoundly inaccessible to us? The answer is to follow common sense morality, be loyal to your friends and family, stay healthy, guard against nuclear war, work to preserve currently existing social and political institutions, respect human rights, protect the environment, be a productive member of society, use leisure time to enjoy cultural pursuits or intellectual endeavors or sports or travel—he is a pluralist about value. So, roughly speaking: as you were!

Unlike many utilitarians, Cowen does not propose any radical redistributions of income. Utilitarians are, as a crowd, drawn to play Robin Hood, since the dollars in the billionaire’s bank account seem to produce much less welfare than they could, were they spread over a group of starving children. Unlike most utilitarians, Cowen is not exercised over the possibility that maximizing utility might violate human rights—what if I could make a million people a bit happier by torturing one innocent baby? Cowen says: don’t do it! Cowen does not use his utilitarian lever to chastise us, to reform us, to urge us to change course. He proposes no bitter pills. Even where his recommendations are corrective—we wealthy Americans could all stand to give a bit more to charity than we do—they are gentle, prodding us in the direction we all already knew we needed prodding.

Cowen wrote a book about how radical utilitarians can be regular folk just like you and me. The remainder of this response considers two questions:

- (1) How did he do it?
- (2) Why did he do it?

Let’s start with the easier of the two, how. There the answer is economic growth, the importance of which is the argumentative fulcrum of the book. Cowen’s thought is that redistributing wealth is a less efficient mode of welfare promotion than using that wealth to create more wealth for future people. The magic of compounding, combined with the rigors of undiscounted utility calculations, means that we should privilege lifting all future boats over leveling out present ones. Cowen takes this lesson from economic history: large gains in well-being are possible through the iterated operation of the marketplace, since the compounding of present gains make greater future ones possible. We should not equalize the rich and poor, but rather endeavor to make the poor of tomorrow wealthier than the rich of today. This is not a crazy goal: Cowen has us recall that, holding location fixed, the welfare of today’s poor compares favorably to that of the rich of yesteryear. An advancing economy advances welfare, measured

in respect of goods such as (e.g.) life expectancy, cultural offerings, healthcare options, nutrition, travel prospects, quality of work experience, leisure time, and so on.

Thus Cowen is in favor of maximizing sustainable economic growth. Is this, perhaps, the one non-commonsense, radically corrective prescription he has to offer us? Not really. Cowen does not offer much detail on what we should do to maximize sustainable economic growth, but his description of the right course—avoiding economic (and especially nuclear) disasters, favoring tempered government intervention, preserving current institutional structures, suggests that he envisions the United States, at any rate, holding steady at about a 2-3% growth rate. If there were a way to sustainably achieve a 4% growth rate, presumably Cowen would tell us about it. So economic growth is yet another element of the status quo to which Cowen tips his hat—with, perhaps, an especially vigorous enthusiasm.

Cowen is not distinctive in his degree of optimism about how much economic growth is possible, nor in his zealotry over maximizing it—the import of human rights, sustainability and common sense morality temper his enthusiasm for any radical growth-positive proposals. He does not lie at any kind of extreme of opposition to government regulation of economic activity. He is distinctive in *the argumentative role* he sees economic growth as playing, in leading us from the counterintuitive premise of rampant utilitarianism to a conclusion we can recognize as the world we already live in. And this is, indeed, an interesting move. Perhaps the most interesting question about it is: why make it?

My answer will begin with a true story. Six years or so ago, I asked my (then) nine-year-old son: if you were walking past a shallow pond and saw a baby drowning in it, would you go over and pull the baby out? Of course, he said. Even if that meant getting your clothes muddy and dirty? Yes. Now what if you could not save him directly—he's in a big lake, you would drown if you tried to swim—but there's a machine that can save him if you insert \$5. I would put in the \$5. What if the lake were far away, in California? That wouldn't matter. What if it were on the other side of the world, in India? It makes no difference! What if there were lots of babies in the lake? I would spend all my money. What if there were lots of other people who could help, but aren't doing so? I would still spend all my money.

Readers will, by this point, recognize that the argument I was giving my son was lifted from Peter Singer's seminal article "Famine, Affluence and Morality."¹ Singer argues that given globalization, physical distance doesn't generate a moral difference. And there are in fact a lot of people "drowning" all over the world. How can we possibly justify spending money on movies, restaurants, tech gadgets, and books, when the click of a computer key could transfer it to those in dire need? My son was overwhelmed with the power of this argument. At the end of the conversation he insisted on donating his entire life-savings, about \$50 at that time, to Oxfam. He was appalled that I was not prepared to do the same. I saw myself, perhaps for the first time, fall rapidly in

¹ *Philosophy & Public Affairs*, Vol. 1, No. 3 (Spring, 1972), pp. 229-243.

his estimation. He wouldn't go to bed until he could see that the transaction had gone through on the computer—someone unmoved by this argument was obviously not trustworthy.

As it happens, “Famine Affluence and Morality” was published in 1971, when Cowen was himself 9. I suspect that he encountered its argument later than that, but long ago nonetheless. He reports that he has been revising *Stubborn Attachments* for 20 years, and presumably there was some time before that, during which the ideas for it were germinating and developing. Whenever it happened, Cowen's first contact with Singer's argument must have been as visceral and powerful as my son's—for he has evidently spent decades doing what Freud called “working through” that experience. So have many others, of course. Singer's argument has generated a vast literature that attempts to explain why its counterintuitive conclusion—give to the point of impoverishing yourself—doesn't follow from its intuitive premise—save drowning children, wherever they are located. Cowen's approach is different. He grants that Singer's conclusion follows—on the conventional, and widely shared, assumption of temporal discounting. If you remove that premise, however, you transform the argument from one where, if it were accepted, “our society, and our world would be fundamentally changed” (Singer, p.231, *op cit.*) to one where its conclusion simply is our present society, and our present world.

How does Cowen refute temporal discounting? He doesn't. He doesn't have to. The argument he offers for not discounting future people, in the book, reads as a half-joke—it involves a wacky hypothetical about travel at relativistic speeds. The real argument is a pointed analogy: *If space doesn't matter, morally, why does time?* What's doing the argumentative work is Cowen's out-Singering of Singer.

If you have read Cowen's book, you may have balked at my opening description of his starting position as one of “rampant utilitarianism.” Cowen's self-presentation is far more diversified, embedding the point about zero-discounting in an affirmation of value-pluralism, human rights, common sense morality, and more. I hope that by now it is clear that my strategy was one of isolating the signal from the noise. The load-bearing premise is the one that defuses Singer's bomb: if you add temporal discounting to spatial discounting, you add enough ignorance to redirect a Singerian sideways glance towards the forward-looking march that *the economy already represents*. Your movie ticket supports the movie-industry, and the people it employs will, in turn, spend their earnings paying for the goods or services you contribute, and this circle is not a circle but an ever growing spiral, adding up to more and more welfare. You can eat your cake and also, thereby, bequeath cake to the starving children of the future! That is Cowen's main point.

Cowen's other premises—common sense morality, human rights, value-pluralism etc.—divide through, in the sense that they also show up in his conclusion. I don't doubt that he believes them, but I experience them from the point of view of my son, as a kind of blanket of normalcy enveloping the book. Because suppose you're not normal. Suppose you are so persuaded by a clear and well-stated argument that,

in a matter of minutes, your mother has been transformed into an alien. Indeed, the world seems filled with aliens: people who seem to see differences where there aren't any, whose world is textured by prejudice and emotion and reactions that strike you as arbitrary and irrational. Can you share in their "common sense morality"? Sure. You just need a fancy argument, one that starts from the kind of premise *you* find intuitive, and lands you in the crazy, mixed-up world you have, apparently, been born into.

Economic Growth Isn't Just Ethical. It's Sublime.

Eli Dourado • January 16, 2019

Take the core claim of Tyler Cowen's *Stubborn Attachments* to be that a deep concern for maximizing sustainable economic growth, properly understood, should be an essential element of any system of ethics that purports to care about universal human well-being. Growth is so fundamental to human well-being, both directly and through correlation with other plural values, that this claim hardly strikes me as controversial. What is therefore striking, and the reason why *Stubborn Attachments* is such a refreshing contrast, is that so many ethicists have neglected any consideration of economic growth whatsoever, taking the productive powers of the economy for granted. Why could this be?

Socrates, Plato, and other ancient philosophers perhaps had an excuse. For most of human history, living standards were similar from century to century. Improvements in productivity led to higher populations (themselves a good thing) but not usually to substantially more per-capita wealth. It would have required extraordinary powers of perception for the ancient Greeks to understand the underlying economics, which were not discovered until much later. *The Wealth of Nations* could not have been written until the wealth of nations actually started to significantly diverge.

Somehow, in the 17th and 18th centuries, the economy in some portions of the world underwent a phase change. Industrialization gave rise to sustained improvement in living standards, and, with growth suddenly a highly visible phenomenon, modern economics was born. Two and a half centuries later, moral philosophers do not have the ancients' excuse. While we are always learning more about economic growth, the benefit of economic growth on the quality of human lives is now well understood to be dramatic.

Since the relative neglect of economic growth in modern ethics can't be caused by ignorance, it must be caused by something else. It could be that the cause lies in the evolution of human reasoning. While reasoning is essential both to moral philosophy and to everyday life, the human capacity to reason did not necessarily evolve to support the discovery of truth. **One hypothesis**, consistent with a number of documented behavioral biases, is that reasoning evolved as a way to win arguments. Instead of observing a set of facts and applying logic to infer additional facts, the argumentative

theory suggests that reasoning's primary evolutionary value may be in persuading others of a preconceived conclusion.

I do not mean to suggest that all ethics is motivated reasoning rather than honest pursuit of the Truth about right and wrong. But neither is ethics immune to motivated reasoning. Cowen delightfully trolls readers by crediting Ayn Rand with being a philosopher who did not take economic growth for granted. This is true! But she was also a master of motivated reasoning; she had a set of aesthetic values that she promoted as irrefutably rational. To a lesser degree and in a more subtle way, all of us may smuggle our aesthetic values into our ethics.

If economic growth is fundamental to human well-being and therefore also to a correct ethics, then we should seek to raise the aesthetic status of economic growth. If more people came to see growth as magnificent and inspiring, then more of them would smuggle a value for economic growth into their ethics, and fewer would smuggle in a value for non-growth. Because this change in smuggling would likely increase the rate of economic growth, I am ethically compelled to devote the rest of this essay to an account of the unsurpassed beauty of economic growth.

The history of our planet may be summarized as, "We irradiated a rock and it came to life." The rock itself was made from stuff ejected from previously exploded stars. After a few hundred million years of solar influx, a phase change occurred when the earliest forms of life developed. After another half billion years, some of these single-celled organisms started to produce oxygen through photosynthesis. A billion years later, the atmosphere started to accumulate oxygen, and a geological phase change occurred as oxygen turned methane into carbon dioxide, a less potent greenhouse gas, and rapidly cooled the planet. A billion years later, a genetic phase change occurred and sex was invented.

Half a billion years later, around 541 million years ago, things really got going. In the early Cambrian period the number of species exploded. Over a period of around 100 million years, the diverse range of plant and animal life that we know today emerged. Dinosaurs lived, and then were wiped out, except for the ones that were ancestors of today's birds and crocodiles.

Mammals gained a niche. Hominids evolved 20 million years ago. A few hundred thousand years ago, the first *Homo sapiens* was born. So was language. Phase change. Culture, artifacts, and trade developed in the Paleolithic. Phase change. Farming was adopted on the order of 10,000 years ago. Civilization. Phase change. Around 250 years ago, our current phase began. Industrialization. Living standards started to rise. Finally we had what we would recognize as economic growth. Today, we have, as *Stubborn Attachments* puts it, "trillions of dollars in GDP and a Louvre full of paintings."

This high-level view becomes all the more astonishing when it is supplemented with low-level detail. Civilization is made up of countless human lives, each with struggles

and triumphs, heartbreaks, wars, alliances, friendships—each with a sense of self and of mattering. And science allows us to explore in smaller scales yet, witnessing wars between different kinds of cells in our bodies, the interplay of different molecules, and even the behavior of subatomic particles. Somehow, without centralized choreography, time and solar radiation has produced on our planet a bottom-up masterpiece of ceaseless wonders: a global economy with drama and fascination in every nook and cranny.

A curious aspect of this story is that the phase changes appear to be getting closer together. The time since the Cambrian Explosion is only about one eighth of the time since the first appearance of life. Hominids have walked the Earth for only about half a percent of its history. Modern humans have only been around for one percent of the time hominids in general have. The industrial era, the last 250 years, accounts for only 1/1000 of the time modern humans have existed. The next phase change must be coming soon.

Don't you want to see what comes next? Will humans expand into the solar system and eventually into the galaxy? Will we merge with machines of our own making? Will we somehow use technology to circumvent even death? Or is humanity just the substrate on which more advanced forms of artificial life will bootstrap themselves? I don't know what the next phase is, but my curiosity is insatiable. I want to see what happens next in the epic story of the irradiated rock in the Goldilocks zone near Sol.

We are privileged to be witnesses to the most dynamic and explosive phase of Earth's history yet—the economic growth phase. From here, faster economic growth means we get to see more of the saga. As technology advances, human lifespans may increase, allowing each of us to watch decades more of the drama. But even if they don't, faster economic growth means more dynamism and that more of the story will unfold during our lifetimes. If the economy grows faster, I will have a better inkling, lying on my deathbed, of what will happen when I am gone.

"This is a big jazz, this world," says Alan Watts. "And what it's trying to do is to see how jazzed up it can get, how far out this play of rhythm can go." The sudden emergence of intelligence, culture, and, yes, economic growth on Earth in the tiniest sliver of cosmological time is all the more astonishing when one considers that the universe is likely teeming with life. There are countless other rocks irradiated by their respective stars, exploding in the same way, no doubt with in beautiful harmony with our own. Johannes Kepler spent decades searching in vain for "the music of the spheres." As it turns out, we are it, and the music is sublime.

The Conversation

The Radicalism of *Stubborn Attachments*

Tyler Cowen • January 17, 2019

I would like to thank all three discussants for their excellent and thoughtful contributions.

Joshua Kim **asks me to get more specific**. I would note I have written about more specific policy topics than almost any other economist who has lived, and that is on my blog **Marginal Revolution**, and also earlier for *The New York Times* and now **Bloomberg Opinion**. *Stubborn Attachments* was my chance (for a change!) to be more abstract and philosophical, but odds are I have covered a given specific topic elsewhere and in a searchable fashion. More generally, the existence of the internet and Google should make our books *much* more streamlined, and less concerned with all of the specifics, at least provided we are filling in the gaps elsewhere.

On education, I would stress to Joshua that wise investments in education should also be expected to boost the economic growth rate, so the tension there between growth and equity is less than he is suggesting. A similar point should hold for most other economic policies.

I agree with Eli Dourado about the importance of the aesthetic for how we understand our world and shape our normative views, though I wish he had mentioned Beethoven, and brought us back closer to the Enlightenment.

I am more of a radical than **Agnes Callard** realizes. She doesn't consider the portion of *Stubborn Attachments* which argues we should spend much less on the elderly and much more on the young. Since spending on the elderly is a major part of the federal budget (Medicare, Social Security, parts of Medicaid, and arguably even the federal debt), this is a major proposed change, and it is a change neither major political party supports. The status quo, of course, is set to spend more and more on the elderly, and I am suggesting a move in the opposite direction, in contradistinction to just about all the world's wealthy countries.

As for radical change for our personal lives, I think (most) people should give up intoxicating substances altogether and tithe at least ten percent of their incomes, as Mormons do. It is a moot point whether those are "big" or "small" changes; needless to say, they are far from happening nor do I see many people arguing for those changes in a serious way. Except the Mormons!

How much are we obliged to save and invest? It depends how much is done to free up innovation. As long as marginal returns remain pretty low, those obligations are much weaker than might otherwise be the case. So in some instances we are *modal radicals*, even if radical change doesn't make sense as the first move in the here and now.

A Question for Eli Dourado

Agnes Callard • January 18, 2019

You describe a series of phase changes that have marked world-progress, the most recent of which is economic growth. If I understand the pattern, since each phase-change has a radically different character from the previous one, your view would be that something bigger and better than economic growth is coming (and, judging by the acceleration, soon!).

If I understand you correctly, your piece is not so much a paean to the beauty of economic growth, but an impatient plea that the era of economic growth come to an end already. You would like to see what better phase comes next—is that right?

When Economics Fails

Agnes Callard • January 18, 2019

Tyler Cowen thinks I underrate the radicalism of *Stubborn Attachments* (SA). He cites his beliefs that we should:

- (a) spend less on the elderly
- (b) give up intoxicating substances
- (c) tithe 10% of our incomes
- (d) be prepared to save and invest more if things were other than they are.

Claims (b) – (d) are not, as far as I can tell, made in *Stubborn Attachments*; (b) is worth a comment nonetheless, since this might be the first time someone brandishes a commitment to sobriety as a badge of radicalism. The first thing to note is that the demand to refrain from self-intoxication is not obviously consistent with Tyler's value-pluralism: many people value the mind-altering possibilities intoxication brings, and a wealth of artistic production attests to the possibility that such valuation can, in its own way, be productive. This tension illustrates a more general point. Though I think Tyler is correct in his claim that he has "written about more specific policy topics than almost any other economist who has lived," Joshua Kim could be forgiven for not always seeing how Tyler's myriad claims and positions fit together. The question here is whether *Stubborn Attachments* presents us with a systematic and coherent worldview, and it cannot be assumed that everything else Tyler has written will automatically count as filling out its programme.

So let us turn to the (single, three page) section Tyler points us to within *Stubb-
born Attachments* as evidence for his willingness to depart from the status quo: his
contention that we should be spending less money to save the lives of the elderly. His
argument for this claim is that we should come closer to valuing human lives at re-
placement cost than we currently do, because, “If one life disappears and another is
added, the new life does make up for *some* of the value lost, at least in utility terms.”
(p.86, italics original) He draws an analogy with houses: just as we should not pay 1
million dollars to fix a house that could be rebuilt for \$500,000, so too we should not
spend \$4 million to save a human being, when we could get a new one for \$10,000. I
found this to be the least persuasive section of the book.

Tyler relates a job interview in 1986, in which he was stumped by the question,
“Why should we not value human lives at replacement cost?” (SA, p.85) He reports
continuing to puzzle over this conundrum, to the point where the absence of an answer
has moved him in the argumentative direction sketched above. That question does
not stump me. I offer the following answer: we should value houses at replacement
cost, because one house can replace another, but we should not value human beings
at replacement cost, because one human being cannot replace another.

It is simply not true that the value of a new life “makes up for” any of the value
lost in the old one. To be fair to Tyler, he didn’t quite claim that. He claimed that
lives make up for one another *in utility terms*. But that just shows that those are the
wrong terms. The kind of value a human being has—in Kantian language: “a dignity,
rather than a price”—rules substitutability out. This fact about human beings is what
underwrites not only the commitment to human rights, but even, I think, the value of
utility itself. Human beings are inviolable—it is wrong to torture one to please many—
because they are the sorts of things with intrinsic worth. Likewise, their fulfillment,
enjoyment, pain and suffering is significant because, in the first instance, they are
significant. Or so I believe, following (what I take to be) a precept of common sense
ethical and religious thought. Arguably, the dignity of human life simply *is* the core of
common sense morality.

But what of Tyler’s argument that “losing an irreplaceable civilization is a much
greater tragedy than losing a civilization in a way which allows for the birth of a new
and different one in its place. Replaceability therefore seems to count for something,
even if we do not agree for how much”? (p.86) The inference here (“therefore”) is
fallacious. One can grant that it is good if another civilization (or human being) comes
to be after one passes away, better than if one does not, without thinking that the
second constitutes *any* kind of replacement for the first. A new child *in no sense at
all* substitutes for a recently dead loved one. Marginalism is out of its depth here,
because not all value concepts are hospitable to the idea of trade or substitution or
replacement. The most fundamental principles of human life lie outside the scope of
economic thought, and are instead situated in philosophy.

Economic Growth... and What Comes After

Eli Dourado • January 18, 2019

I appreciate Agnes's question on what I have termed "phase changes." If you see the history of our world as I do in terms of these phase changes, it is interesting to note that the previous phase's processes don't stop mattering just because you've reached a new phase. When the human economy reached an industrial phase, agriculture did not stop mattering. It changed, got more efficient, and took up a smaller portion of the labor supply, but we produce more food now through agriculture to feed a larger human population than ever before. In the same way, the proliferation of life that came out of the Cambrian explosion hasn't stopped, nor would we want it to. Evolution still happens, and that's likely for the best as organisms can adapt to changing conditions. And the solar influx that provided the negative local entropy to allow life to originate on our planet in the first place thankfully continues—I think we can agree that is a good thing.

I suspect future phases will behave similarly. They will be bigger, in a sense. But it is an accretion of the underpinning process of each phase that drives the whole thing forward. For example, if the next phase is the dissemination of human civilization throughout the cosmos, it will likely be aided by economic growth that provides and continually improves the technological capability for humans to survive in the harsh environments. I do want to see what comes next, but if the pattern holds, economic growth will still matter. In the meantime, growth is still the most beautiful thing going in virtue of it driving us to the next phase. If there is a next phase where economic growth is no longer the biggest, most beautiful phenomenon on which to remark, well that would be something to see, and it is in that sense alone that, yes, I impatiently want the era of economic growth to come to an end.

We Have Lost Our Way in a Fundamental Manner

Tyler Cowen • January 22, 2019

My main outstanding disagreement is with Agnes Callard, who has **doubled down** on her claim that *Stubborn Attachments* is status quo-oriented. But there is simply no reason to think the status quo already maximizes the rate of sustainable economic growth, and the book is full of statements to the contrary. Consider the opening sentence (p.15): "When it comes to the future of our world, we have lost our way in a fundamental manner, and not just on a few details." Or the beginning of the book's concluding section (p.123): "My utopian political vision is a society that follows these principles. That means a society that lets individuality, happiness, and autonomy flower to their maximum extent. I don't expect something so good to actually come about, but it is nonetheless a vision to live by..."

I am happy to admit that most of my specific suggestions for policy I have presented elsewhere, still the book itself is clear on its radicalism while maintaining a deliberate focus on abstract principles.

When it comes to valuing lives, different lives are either commensurable or they are not, again as I discuss in the book. If they are not, nobody is going to produce meaningful rankings of different social states of affairs, not even by summoning up the mysterious ghost of “philosophy.” If human lives *are* commensurable in some way, we are back to sustainable compounding growth as giving us a decisive answer. When it comes to real world policy, we must indeed choose, and it is simply punting to claim there is no basis for comparison or trade-offs. Economics and the logic of social choice return, whether we like it or not.

Economic Growth? Let’s Focus on the Tangibles

Joshua M. Kim • January 22, 2019

I want to make sure that I understand what we are debating.

We are arguing with Tyler’s assertion that sustainable long-term economic growth should be elevated over all other priorities.

Right?

Some reasons to put sustainable economic growth at the center of our moral philosophy, and the policy decisions that align with this view, include the following:

- Progress, as measured by improvements in health outcomes, living standards, educational attainment, leisure, and other quality of life measures is tightly correlated with societal wealth growth. The wealthier a country is, all things equal, the better off the average citizen will be.
- That progress is ultimately underpinned by economic growth, and not on the enactment of political policies that prioritize redistribution or some other goal related to social justice.
- That the prioritization of long-term sustainable economic growth is the best way that we can invest in the well-being of future generations, as they will be the beneficiary (or the victim) of the choices that we make today.
- That even small changes in the rate of economic growth can have enormous long-run impacts, and that the benefits to future generations of even small growth-positive choices should have a starring role in our moral philosophy.

If economic growth is to be prioritized, then we must accept trade offs. These trade offs include:

- Greater levels of income inequality and wealth concentration.

- Reduced public support for the elderly in favor of greater investments in kids.

What are the other tradeoffs if we follow Tyler’s heuristic of prioritizing long-term sustainable economic growth?

What I want is for Tyler’s big idea to convince me to change my mind.

I want to be persuaded that at least one of my traditional moderate-to-liberal views on most issues is wrong.

Wrong in the sense that my grandkids, and the grandkids of Tyler, Agnes, and Eli, will be worse off.

Maybe if I’m wrong about one thing, my whole ideological orientation toward economic and policy issues (moderate-liberal) will finally become unstuck. And if I can be convinced, maybe others will be as well.

Tyler writes that I should Google his opinions. But what I want to understand is how this big idea—prioritizing sustainable economic growth—plays out when applied to real choices.

Is it impolite, or somehow internet uncool, to ask that we get concrete?

It would be wonderful if spending time with Tyler and Agnes and Eli resulted in having my mind changed.

Is this what we are debating?

Utilitarianism as an Esoteric Doctrine

Agnes Callard • January 23, 2019

I accept Eli Dourado’s point that economic growth will figure in the “next phase” of human history; perhaps he is also right that accelerating it accelerates the emergence of that stage, though that seems less obvious to me. But it is remarkable that the attempt to praise economic growth ends in demoting it.

If we think about the set of individuals who have contributed most to economic growth—Socrates, Vermeer, Newton—they do not correlate very well with interest in or commitment to economic growth. What does the aestheticizing of economic growth get us? Perhaps not economic growth.

More generally, I wonder if the paradox of what Bernard Williams called “Government House Utilitarianism” might apply to the ethics of economic growth (which is really just a branch of utilitarianism). The problem emerges from the fact that non-utilitarian (e.g. religion, or Kantian morality) motivations seem to produce more utility.

From Wikipedia:

some utilitarians have put forward a “radical proposal”; although they accept utilitarianism as the correct moral theory, it would be more beneficial

if we do not proclaim this fact, and keep it a well-guarded secret. “Utilitarianism would then become an esoteric doctrine, accepted by only a few philosophers who would, if challenged, deny its existence in public.”

Radicalism, Replaceability, and Bounded Obligations

Agnes Callard • January 23, 2019

On radicalism: I do not count professions of it for very much, nor do I demand specific policy proposals. My claim was that the programme offered in *Stubborn Attachments* is inherently conservative, due to the combination of (a) zero discounting and (b) our ignorance about the distant future. I see the message of the book as: we cannot know how to do the good we ought to do, so the best we can do is keep things (roughly) as they are.

(As an aside, I note that Tyler is—or at any rate, *was*—clearly worried about this problem himself: he devotes chapter 6 to addressing it. There he points out that uncertainty needn’t paralyze us, because, for example, if we have the opportunity to avert nuclear disaster, his theory tells us to take it. Which is something along the lines of the exception proving the rule.)

On replaceability: If Tyler argued for the conclusion that one human life constitutes a replacement for another, I would happily crown him a radical. He could then go on to use replaceability to make policy suggestions, such as that of spending less on medical care for the elderly—or, because he really should have generalized the point: for anyone, old or young, who, for whatever reason, has relatively few years remaining to them. (Age is a red herring here: Tyler ought to urge spending less on a procedure adding one year to a 20 year-old’s life than a procedure adding two years to a 90 year-old’s.)

But Tyler cannot quite bring himself to assert that we ought value human lives at replacement cost, let alone argue for it. In his response to me, as in his book, he hedges: “different lives are either commensurable or they are not, again as I discuss in the book.” He then goes on to grab neither horn of the dilemma, but to proclaim we cannot make social policy decisions unless we assume they are. And we must make those decisions, “whether we like it or not.”

The relevant passage in *Stubborn Attachments* hedges in exactly the same way as Tyler’s comment: “[I]t is unlikely that measures of replacement cost are the correct way to value a human life. Still, replaceability should not be completely irrelevant to how we think about the value of a life.” (p.86) Tyler wants to say that one human life does not replace another, but our public policy should act (more) as though it did. When we start talking like this, we know it’s time to summon up the ghost of philosophy.

Tyler challenges me: if we don't compare the value of human lives, how can we possibly decide how much medical care the government should provide? I respond: There are many ways! Philosophy teaches that such a comparison is but one way to make a decision. Since this isn't an essay in systematic philosophy, I won't aim for coverage of the field, but instead focus on one plausible contender: the concept of bounded obligation.

Let me illustrate it in an arena more familiar to me than healthcare, namely education. Undergraduates in my classes sometimes ask me to read drafts of papers in advance. I refuse, because, among other reasons, it would be too time-consuming. But I will allow a student to send me a one-page outline, and then meet with her to discuss it. I have determined that this is how much I owe, and not more.

I acknowledge that any given student's philosophical understanding might be improved if I were to devote all my time and energy to that project; and I view that understanding as having an intrinsic, incomparable value; and yet I think I have reason to withhold some of my time and energy. I foreseeably forgo bringing about some quantum of philosophical improvement—and not because I foresee greater improvements on other fronts! I don't view myself as “trading” the help I refuse to give one student for the help I go on to give another.

Instead, I understand myself as having an obligation to each one, an obligation that extends so far (reading outlines) and no further (not reading drafts). I am not saying it is easy to figure out what I owe—the process has been one of trial and error, and it continues to evolve over time. (I used to read drafts!) I am simply reporting, first personally, that I do not find myself stymied by the demand to make intelligent, well-grounded decisions about how much educational care to provide, even given my refusal to make invidious comparisons about the comparative value of my students' minds.

I don't see why we shouldn't, when deliberating over the analogous problem in the healthcare arena, ask ourselves, “How much medical care do we owe each person?” I would like Tyler to explain what prevents us from putting the question that way, thereby avoiding the need to ask ourselves “how much is a human life worth?”

A final note: the above argument about replaceability suggests that we should spend less on those with fewer upcoming years because their lives are worth less. This is not the same thing as saying that we should spend less on them because that promotes economic growth. For instance, it could be the case that the knowledge that they will be taken care of in their later years prompts people to take more risks and contribute more to the economy. This is an empirical question and Tyler does not address it in his book. His argument for reducing care to the elderly relies on a philosophical claim about the value of human life, rather than what would have to be empirical claims about what would promote economic growth. And so my original challenge, **which overlaps with Joshua's**, stands: show us how valuing economic growth drives radicalism!

What Happens When We Risk Civilization Itself?

Eli Dourado • January 24, 2019

Social risk aversion is an undertheorized element in Tyler's framework. Let's take for granted that society should maximize sustainable growth, properly understood, subject to a near-absolute human rights constraint. There's still the question of what counts as sustainable. Since the effects of many actions are uncertain, it's not just a question of which actions maximize absolute or even expected growth over millions of years. Suppose an action resulted in either an instantaneous tripling of wealth or a complete destruction of human civilization with 50-50 probability. In expected terms, this is a 50% gain, an incredible return on global wealth worth trillions of dollars. But I expect Tyler would reject this gamble as unethical due to the 50% chance of losing everything.

There are a number of variables we can play with here: the number of outcomes, the percent return of each, the likelihood of each, and the population that it affects (all of human civilization vs. a subset). I would expect that the acceptability of the gamble would vary positively with expected value and with the lower bound of outcomes, and negatively with the proportion of the population affected. I don't think Tyler would reject *all* such gambles, adopting a minimax decision rule, as that would make economic growth nearly impossible. Society, in Tyler's framework, should therefore be somewhat but not completely risk averse.

One way of instantiating that partial risk aversion might be discontinuously: minimax for gambles that involve the possibility of complete civilizational annihilation, and risk neutrality for everything else. Another might be to write the Wealth Plus function in such a way as to explicitly account for uncertainty, as we do in economics with utility-of-wealth functions. What is the right answer here, Tyler? And if it's the latter, how do we pick a coefficient of social risk aversion?

Another issue is whether there is information we could receive that ought to make us more or less socially risk averse. For example, Tyler ties the sustainability criterion to the degree of irreplaceability of civilization (p. 86). If civilizations are scarce, then that pushes us in the direction of social risk aversion. But if civilizations are abundant in the universe, then for consistency we should accept some level of commensurability among civilizations **just as we do for individual lives** (I agree with Tyler that we all do), and that should drive us in the direction of risk neutrality. Does the detection of 'Oumuamua, an interstellar object of possible artificial origin—almost immediately after humans gained the capability to find such projectiles—change Tyler's coefficient of social risk aversion? At the margin, civilizations now appear less scarce than they did before we saw 'Oumuamua.

Or what about the question of whether the universe is finite or infinite, or whether the multiverse contains an infinity of universes? Perhaps we will never know for sure, and that drives us to some risk aversion, but if there are an infinity of civilizations,

even if many of them are outside of our light cone, that seems like an argument for social risk neutrality.

I suspect Tyler has thought about the issue of social risk aversion and that readers want to understand his view as much as I do.

What Does Economic Growth Demand?

Eli Dourado • January 28, 2019

Josh and **Agnes** would both like Tyler to be more concrete: what does an ethics of economic growth maximization demand of us?

I suspect Tyler has reasons for preferring to keep *Stubborn Attachments* in the realm of the abstract. Nevertheless, I am happy to give my own views as to what growth maximization actually looks like. But first I want to push back a little on especially Josh's query, with apologies if I have misunderstood him.

As I understand it, Josh is coming to this discussion with certain ideological priors. He sees in the abstract that Tyler has a compelling argument, but he wishes to understand how—concretely—an ethics of growth maximization interacts with his prior ideological commitments. This is a backwards way of doing ethics. If one accepts Tyler's premises and his reasoning, one ought to accept his conclusions, even if they sit uncomfortably with one's prior ideological preferences.

In this sense, at least, Tyler is as radical as Peter Singer, who also argues for conclusions which are uncomfortable to many. If Singer's conclusions are wrong, one ought to find fault with the argument (which is what Tyler has done). Insofar as we are doing ethics and not aesthetics, one ought not to reject Singer's conclusions simply because they don't comport with prior views. That's also not how we should approach Tyler's argument.

With that minor objection aside, how could we increase economic growth sustainably without violating human rights? I can think of several ways:

1. Improve individuals' access to productive efficiencies that arise from urban life. We cannot execute the NIMBYs without rights violations, but we should overrule them politically. We should upzone, remove parking minimums and subsidized parking, allow denser and taller development, institute land value taxes, allow mixed use, and simplify construction permitting. Our economy would grow much more quickly if more people were able to live in our most productive cities, like San Francisco, that are capacity-constrained.
2. Accept lower levels of safety. When building new infrastructure, we often spend years doing environmental impact assessments which cause delays and high costs without actually providing much in the way of environmental protection (they do allow environmental advocates to temporarily hold projects up in court but that is about it). Drug development costs are raised by a years-long approvals process

that perhaps results in safer drugs on average but reduces the total number of drugs brought to market, and many safe ones are excluded. We probably would not have planes, trains, or automobiles if we had insisted on today's safety levels during the early days of those technologies' development—likewise, we should have laxer safety standards for new emerging technologies.

3. Allow many more immigrants to work in wealthy countries. Taking a talented worker from the Central African Republic, where she will not be very productive, and moving her to the United States, where she will, obviously will increase global productivity. We should do much more of this, as we are nowhere near margins where the total quantity of immigration could be destabilizing.
4. Spend fewer resources “showing that we care.” The RAND health insurance experiment famously showed that health insurance leads to more health care consumption but not necessarily to better health outcomes. The Oregon Medicaid health experiment yielded similar results. We also spend a large fraction of all health expenditures in the last year of life. It's hard to avoid the conclusion that much health spending, both public and private, is wasted. Similarly, we spend a lot of money attempting to educate people at all levels who don't really want to learn, and we subsidize higher education without regard to the productivity of the selected major. We could be more “heartless” here without harming economic outcomes very much.
5. Conduct much more basic research. Some of the resources we currently spend keeping the elderly alive could be used to do research on how to delay or reverse aging, providing enormous benefits to future people as well as to the economy as people with longer healthspans could have a longer productive life with a given amount of training. Nuclear fusion research also strikes me as particularly worthy, but my central planning instincts aside, we should do more research across the board. Insofar as our current methods of funding basic research are not getting the best results possible, we should explore alternatives, which might involve slaughtering some sacred cows.
6. Do less social engineering. The United States in particular does an incredible amount of social engineering through its tax code (e.g., the home mortgage interest deduction). There is no growth justification for this, yet it harms growth by necessitating higher marginal rates to pay for the deductions and credits. The tax code could instead tax negative externalities like carbon dioxide emissions first, then do loophole-free Ramsey taxation on the rest of the economy. This would reduce the amount of resources destroyed through taxation.
7. Get rid of inefficient giveaways to particular industries. Scrap steel tariffs. Eliminate the farm bill. Repeal the Jones Act. Allow new hospitals to be built. Let

nurse practitioners have a larger scope of practice. Let unbarred entrepreneurs compete with lawyers. Stop regulating cosmeticians and florists altogether. All of these protectionist restrictions provide higher social costs than benefits.

I could go on. Although it may be possible to quibble with any of the items on my list, at least to my mind it seems that we are very far away from growth maximization. I wonder if Josh and Agnes accept this conclusion.

In addition, this partial list shows that although Tyler’s framework imposes some ethical demands on individuals (don’t be a NIMBY), to a considerable extent, the ways to improve growth involve some level of collective action. It is our collective institutions that are failing us. On an individual level, Tyler’s framework may not be as ethically demanding as Peter Singer’s, but it is quite radical and foreign to western societies on a collective level.

Replies on Civilization, Existential Risks, and Utility

Tyler Cowen • January 28, 2019

Eli Dourado **asks** how risk-averse we should be with respect to civilization, in particular how much we should trade off expected economic growth for greater safety against existential risk. I would stress that the best recipe for both growth and stability is high quality institutions. There is thus a broad swath of choices we can make that will boost both growth and stability, namely improving institutions. Nonetheless, there will be cases where the two conflict, all the more so if we allow imaginary thought experiments in the door. I do not offer any solution to that problem in my book, but there are plenty of improvements we can make in the meantime and those do cover most of the empirically relevant cases.

If you are wondering, I do not believe in maximizing “the expected value of civilization” but rather I suggest placing special weight on the costs of extinction. For instance, if we could play “double or nothing” with the current galaxy, at odds of 51-49, I would say don’t do it. I do stress that my arguments apply best to the cone of possible outcomes within current economic growth trajectories.

Joshua Kim has some **further questions**, in response I would like to make one observation. For the world as a whole, which I take to be the relevant moral unit, income inequality has been *going down* for several decades. I believe pro-growth policies would do more yet to raise outcomes for the poor, though of course in some cases they may also create billionaires at a faster rate. Thus income inequality could sometimes go up, but I am fine with that.

I agree with **Agnes Callard** that non-utilitarian motivations may well produce more utility, and I discuss this briefly in the book, when I cover the necessity of grounding systems on some notion of faith. A side note: much as I love the paintings of

Vermeer, has he contributed so much to economic growth as Callard suggests? Peter Paul Rubens, who also was a diplomat (and far more prolific on canvas), may hold the pride of place here, or how about the Italian Renaissance artists, for helping to resurrect interest in the contributions of the ancient world, Callard's favorite Plato included?

Two Ways to Value Human Life

Tyler Cowen • January 30, 2019

Virtually all human societies have used inconsistent valuations of life across different endeavors and contexts, and contemporary American society does so too. One reason for this is that life valuations perform an allocative function (where to spend money and how much?) and also an “advertising function,” reflecting social values about human dignity. The ideal society I outline in *Stubborn Attachments* probably would lower the discrepancy between these two approaches to valuing lives, but I doubt if that society could eliminate it. So the socially validated figures for life valuation likely would still stand above what might otherwise be an optimal level. Think of this as PR for the society as a whole.

Why love Vermeer? *Stubborn Attachments* stresses that a lot of other choices, including aesthetics, lie within paths of equal expected economic growth. They can be addressed by critics, art historians, and perhaps even philosophers of aesthetics. Besides, is it perhaps possible that Vermeer boosts economic growth in Delft to this day?

Human Lives Have Intrinsic Worth

Agnes Callard • January 30, 2019

Eli Dourado writes, “If one accepts Tyler [Cowen]’s premises and his reasoning, one ought to accept his conclusions, even if they sit uncomfortably with one’s prior ideological preferences.”

As a philosopher, I could not agree more. I would, however, emphasize that this principle goes not only for Tyler’s reasoning but also for mine.

So, for instance, when Eli writes, “we *should* accept some level of commensurability among civilizations just as we do for individual lives (I agree with Tyler that we all *do*)” (emphasis mine), he conflates questions we ought to keep apart.

In **an earlier post**, I gave an (admittedly abbreviated—I am happy to expand on it!) argument as to why we should not accept commensurability, namely that human lives are not, in fact, commensurable. Those who are antecedently inclined to accept commensurability must either respond to that argument, denying the existence

of human dignity, or revise what they are inclined to accept, even if the result sits uncomfortably with their prior ideological preferences.

As I see it, the argumentative issue is very simple:

C: We should spend less money on medical care for those with fewer years left to live (call them “time-poor”).

P: The lives of the time-poor are, as a matter of fact, worth less.

In *Stubborn Attachments*, Tyler presents P as the justification for C.

So if P is false, then that undermines Tyler’s assertion of C.

When Tyler writes, “life valuations perform an allocative function (where to spend money and how much?) and also an ‘advertising function,’ reflecting social values about human dignity,” he is presenting C (allocation) as though it has nothing to do with P (evaluation). But this is a way of jettisoning his own argument from P to C.

Because of course “social values about human dignity” are in fact simply common sense moral views about how to assess the value of a human life. These views are either true or false, and Tyler’s mode of argumentation (i.e., basing C on P—which, as I argued **in another post**, is not the only way to go!) prevents him from treating these as separate issues.

One way out of this tangle would be for Tyler and Eli to come out as Government House Utilitarians. (See **this post**) Perhaps when Tyler refers, throughout the book, to “common sense morality,” he classifies that among the useful beliefs (religion, faith etc.) that might give rise to more utility than direct attempts to maximize utility. If he is not prepared to use such beliefs to guide social policy, then what he thinks is that they are useful *fictions*; they are not just advertising or PR but *false* advertising or *propaganda* by which utilitarians cover their own tracks.

One problem with esotericism of this kind, or any other, is that its proponents are unwilling to come clean about what they believe. (That is, of course, the whole point.) Which is a shame, because if they would come clean, I could refute them. Easily, since I have the truth on my side: human lives do have intrinsic, incomparable worth.

The Ted K Archive

Tyler Cowen
The Ethics of Economic Growth
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<<https://www.cato-unbound.org/issues/january-2019/ethics-economic-growth>>

www.thetedkarchive.com