

Open Letter - Economists for Future

We are living through a climate emergency and, among the many profound challenges that this presents, the situation demands that the discipline of economics takes a hard look at itself.

Across the globe, young people are marching in the millions to demand that necessary action is taken to avoid catastrophic climate disaster. These climate strikers are calling on everyone to play their part in addressing this crisis. Economists for Future is extending this demand to the economics community.

Despite some exceptions, the overall contribution from the community has been nowhere near commensurate with the magnitude of the problem. Where we have contributed, we have been largely unsuccessful: the market-based solutions have yet to deliver the emission cuts at the required speed. In the context of the climate emergency, winning slowly is *losing*.

The task at hand

As the IPCC puts it, avoiding environmental breakdown requires “rapid, far-reaching and unprecedented changes in all aspects of society”. We must radically change how we produce and consume to overcome the enormous challenge of decoupling economic activity from greenhouse gas emissions and unsustainable resource use. Yet, the real task is to meet this challenge while transforming our world into a more prosperous and equitable place.

Stepping up

Emergencies do not call for incrementalism, they call for an intervention. If the discipline which dedicates itself to studying the economy cannot sufficiently engage in the economic transformation that the climate science requires, then who else can be expected to do this? The responsibility and the opportunity is ours.

Economists for Future believes fulfilling this responsibility and seizing this opportunity requires us to at least embrace the following:

A discipline-wide response

Climate change is itself not “the subject” that economists need to address: it is a symptom of the subject. Economists must get to the root of this problem. We must move beyond the cognitive bandwidth that says it is only environmental economists that should engage in this crisis. This is not about having more environmental economists. This is about the whole discipline embedding its thinking and its methodologies within the context of a finite planet.

Redefining what it means to “Think like an economist”

In the 20th century, economists tended to operate with the mindset that their task was to further human prosperity. In the 21st century, economists need to embed furthering human prosperity *within* the context of natural systems. With the effects of climate change varying profoundly across space and time, prioritising distributional equity is central to that thinking. We should not outsource crucial issues, such as climate justice as being hard to quantify. 21st-century economists will need to have a stronger commitment to the rapid development of the discipline, even when that might be uncomfortable. Lastly, more leading economists need to move beyond academic silos by actively contributing to public deliberation.

Proposals

Economists must show the world that they take the climate science seriously by:

- 1) Prioritising research and resources towards this issue
- 2) Teaching the next generation differently: the economists of the future must embed ecological concepts within their core thinking.
- 3) Making public and policy engagement on this issue a core responsibility

We cannot afford to be cheerleaders for the status quo. Business-as-usual is far too expensive. It is economically and morally indefensible. Instead, we must play our part in creating and communicating an intellectual framework that accelerates action on the climate crisis.

There is simply not the time for a half-hearted response from the economics profession. We still have great unmet potential to help tackle this crisis but it is now or never. Signing this letter is a commitment to action now. A commitment to seize this opportunity to strengthen the discipline, but most importantly, the very subject it serves: the wellbeing of humanity.