

PROJECT SYNDICATE

Is Growth Passé?



Joseph E. Stiglitz

IT'S clear: we are living beyond our planet's limits. Unless we change something, the consequences will be dire. Should that something be our exclusive focus on economic growth?

Climate change represents the most salient risk we face today, and we are already getting a glimpse of the costs. And in "we," I include Americans. The United States, where a major political party is dominated by climate-change deniers, is the highest per capita emitter of greenhouse gases and the only country refusing to adhere to the 2015 Paris climate agreement.



advocates, ignoring all the advances in public economics over the past half-century that have explained otherwise, argue that economic efficiency requires it. They are wrong.

We must take strong action now to avoid the climate disaster toward which the world is heading. And it is a welcome development that so many European leaders are spearheading efforts to ensure that the world is carbon-neutral by 2050.

That view sets us apart from those who suggest that the Paris agreement's goals can be achieved only by stopping economic expansion. I believe that is wrong. However misguided the obsession with ever-increasing GDP may be, without economic growth, billions of people will remain without adequate food, housing, clothing, education, and medical care.

But it won't happen on its own, and it won't happen if we just leave it to the market. It will happen only if we combine high levels of public investment with strong regulation and appropriate environmental pricing.

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It is precisely when the consequences of climate change are large that we are least able to absorb the costs. There's no insurance fund to draw upon if we need investments to respond to large increases in sea levels, unforeseen health risks, and migration on a massive scale as a result of climate change.

At one time, some Americans even hoped that climate change might benefit them. Maine's coastal waters, for example, would become swimmable. Even today, a few economists still believe that there is not much to worry about, so long as we limit the increase in average global temperature to 3-4° Celsius, compared to the 2°C limit set by the Paris agreement.

Tackling climate change maybe possible if we combine high levels of public investment with strong regulation and appropriate environmental pricing.

gamble. Greenhouse-gas concentrations are projected to be at their highest level in millions of years, and we have nowhere else to go if we lose.

Studies suggesting that we could tolerate higher temperatures are deeply flawed. For example, because appropriate risk analyses are systematically omitted, their models do not give sufficient weight to the probability of "bad outcomes."

Moreover, these studies underestimate the non-linearities in the damage functions. In other words, our economic and ecological systems may be resilient to small changes in temperature, with damage increasing

only proportionally to temperature, but once climate change reaches a certain threshold, the increase in damages accelerates relative to the rise in temperature. For example, crop loss becomes serious as a result of frosts and droughts.

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Finally, those who argue for a wait-

and-see approach to climate change—that it's a waste of money to take large actions today for an uncertain risk far in the future—typically discount these future losses at a high rate. That is, whenever one takes an action that has a future cost or benefit, one must assess the present value of these future costs or benefits.

The discount rate (how we value future costs and benefits relative to today) thus becomes critical. US President Donald Trump's administration has, in fact, said that one wouldn't want to spend more than roughly three cents today to prevent a dollar loss in 50 years.

IN MeMoriaM

SM Ali: A visionary journalist who served the nation

Syed Badrul Haque

SYED Mohammad Ali, popularly known as SM Ali, a distinguished journalist of Bangladesh, was born ninety-one years ago in this month—on December 5, to be specific—in a well-known literary family of Sylhet.

He made his debut in the early 50s as a cub reporter of the erstwhile premier English daily, The Pakistan Observer, and became known before long for his feature-reportage, "The City We Live In".

On his return to Pakistan from England, he served in senior positions in reputed dailies like The Dawn in Karachi and The Pakistan Times in Lahore, where he also served as a part-time teacher of journalism at the Punjab University. He was the managing editor of Bangkok Post from 1966 to 1970 and made a name for himself as a journalist of great distinction.

Though SM Ali was away from the newspaper world for more than a decade since 1975, serving at the Press Foundation of Asia in Hong Kong and Manila and at Unesco as the regional adviser for Asia in Kuala Lumpur, his romance with journalism remained passionately singular.



SM Ali (1928-1993)

Under his able stewardship, the paper caught the eye of discerning readers in no time, and its readership continued to soar along with its innovative accomplishments. Not the straitjacket of party-leaning newspaper, The Daily Star remained steadfast in its commitment to the professional ethics of objectivity.

Beyond their solemn editorial appeal, his writings also stirred the conscience of the nation. His editorial stance on national issues was much more focused, forthright and specific and

SM Ali was always keen to share his professional experiences with young aspirants who wanted to make a career in journalism. I received a two-page typed letter from him, which was quite a booster to my morale in charting out my future career at a vital crossroads in my life.

would never agree to take a dictated particular line. Verily, he had a great deal to do with the prosperity of the paper and its role in a free nation. He had introduced new features, columns and layouts and repressed the worn-out looks of our journals.

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experiences with young aspirants who wanted to make a career in journalism. I received a two-page typed letter from him, which was quite a booster to my morale in charting out my future career at a vital crossroads in my life.

His was indeed a realistic appraisal of the situation prevailing then in our nascent newspaper industry, when the profession obviously did not belong to faint hearts. Yet there were young aspirants who took courage to face the challenge.

Evidently, we have moved so quickly to the sordidness of the present moment because the traditional deference the pioneering elders once received has almost entirely disappeared. SM Ali, beholden to their legacies, wrote excellent pieces in The Daily Star on Altaf Hossain and Abdus Salam, the two outstanding editors of his time.

Reassuringly, The Daily Star, with his successor editor Mahfuz Anam, has been sailing commendably well on the legacy left by its redoubtable founder-editor SM Ali.

Syed Badrul Haque is a contributor to The Daily Star.

QUOTABLE Quote section featuring Olga Tokarczuk with a quote about world concentration.

CROSSWORD BY THOMAS JOSEPH section with across and down clues and a crossword grid.

YESTERDAY'S ANSWERS section with a grid of words from the previous day's crossword.

BEETLE BAILEY section featuring a cartoon by Mort Walker.

BABY BLUES section featuring a cartoon by Kirkman & Scott.

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