

**“[M]uch of the criticism of economics in this book is motivated by a desire for supporters of neoclassical economics to ‘come clean’ about the value judgements and ethical positions that underpin it ... Any assessment of the place of modern economics in helping us address actually existing unsustainability must start from recognizing it as being as ideological and value-based as feminist, conservative, nationalist, socialist, or green approaches to economics. ... [U]nlike these political positions modern economics has evolved to a ‘mythic’ status in its almost ‘full-spectrum’ domination, its widespread acceptance and infiltration of many aspects of modern life and ways of thinking, within and way beyond the academic and official policymaking. ... Economics does not merely describe and explain or predict the world; it *actively creates and recreates it in its own image and in line with its own value system and logic.*” (John Barry, *The Politics of Actually Existing Unsustainability*, 122-126, *emph. added*)**

Questions for discussion:

1. Is environmental degradation (simply) a public goods problem?
2. How useful are concepts of “misaligned incentives” and price signals for the analysis of environmental problems?
3. Is it correct—or helpful—to think of people’s effects on the environment in terms of “rationality”?
4. Can we adopt (what I call) a “wolvish” view of human behaviour without despairing?

### **Economics: The key to all mythologies, or, addictive, mind-altering drug?**

Economists make big promises. Whenever they predict that policy X (e.g., a tax on petrol) will have consequence Y (e.g., a fall in GDP/an increase in electric car sales/an increase in crime, etc.), they are, in fact, professing to tell us how everyone affected by that policy will respond to it. The reason they have this superhuman confidence is that they profess to have identified a behavioural assumption that accurately characterises us all: we respond *rationally* to costs and benefits. As the relative costs (benefits) of a good increase, we demand less (more) of it. From this simple claim, an entire discipline was built, and that discipline changed the world. In democratic societies, at least, it has turned us all into mini-economists (i.e., rule utilitarians), who evaluate one another’s behaviours largely by asking whether they promote, or impede, the common good. This is equivalent to donning the superman suit, and professing, with the economist, what the effects of a given behaviour will be, and what policy solutions would efficaciously bring more of it (if we like it), or prevent it (if we don’t).

This raises two interesting questions. Is there any way out of this iron cage? (If even Extinction Rebellion can offer only more economics to solve the problems of economics, what *other* philosophies are available to us?) And what happens if (mini-)economists disagree about what, in fact, is rational? The temptation, as shown by the quote above, is to reduce disagreement to a matter of values, so that the economist’s scientific predilections are left unscathed. But this doesn’t get us very far if, in fact, the economist has the same values as the rest of society (even if she helped create those values). Whether we *should* be utilitarians tells us nothing about whether, *when we are utilitarian*, economics is capable of delivering the benefits it promises, and we expect. If neoliberals argue for markets not because they are foaming at the mouth, but because they interpret the social and environmental problem differently from neoclassicals, what does this say about *either* economist’s scientific accuracy?

The reason this matters is because it suggests that we should be more critical about the economic assumptions we bring to environmental politics, and to questions of risk and sustainability. There’s no principled reason why we cannot agree on the principles of human behaviour—say, whether (or, more precisely, *when*) people really are like sheep, rather than wolves. But, *contra* behavioural economics, if this agreement is to be scientific (i.e., accurate, and authoritative), it cannot be achieved by simply tweaking our assumptions. Instead, it will require the hard work of investigating what determines *real* people’s behaviour, in real-world contexts. Until that work is undertaken, we should (perhaps) take the economist’s promises with a measure of salt as large as their ego.