

Rumble in the Jungle? Economists and Philosophers on Social Discounting

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The value to society of long-term public projects, like climate change mitigation and infrastructure construction, is highly sensitive to the social discount rate (SDR). Governmental guidance on social discounting has predominantly been based on input from expert economists. It is not clear, however, that economists possess any special expertise on the ethical matters of long-term societal decision-making. This study compares expert views on key components of the long-term SDR of economists with those of a disciplinary group of experts who may be deemed most trained on ethical matters: philosophers. The results indicate that both expert bodies provide similar recommendations on these components, as well as on the SDR itself, with a median SDR recommendation of 2 percent for both subsamples. A preliminary analysis of stated rationales for the recommended SDR shows areas of broad agreement and yet distinct differences in the motivations. While economists provide a number of technical extensions within a consequentialist discounted Utilitarian approach, many experts within both fields underscore the importance of going beyond the workhorse framework by considering alternative ethical approaches that also incorporate non-consequentialist rationales. We see this as evidence of the benefits of a more inclusive approach: areas of agreement are identified, and new insights are discovered by reflecting on differences. In the politicized world of long-term decision-making, such as on climate change, a more inclusive and deliberative approach is now being called for. This paper will provide some first evidence on what can be learned from such approaches when applied to experts.