

Climate Change - Why People Don't Care?

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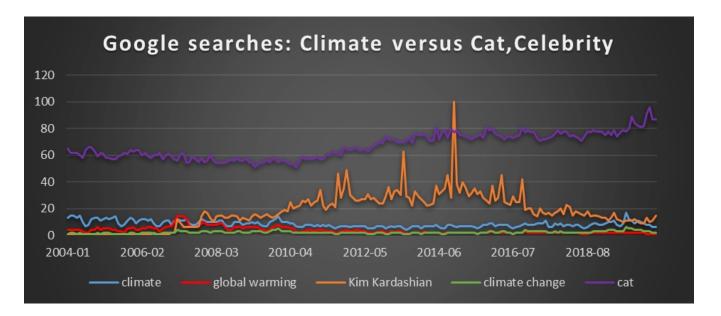
A long-run shift in temperature in the recent 40 years, as well as a surge in CO² level in the past century, are warning signs that climate change is genuinely occurring. The unprecedented Australian bush fires, rising sea levels, and many extreme weather events are all escalating due to resultant global warming. 97% of active-publishing climate scientists agree that human activities are extremely likely to be the primary cause of recent global warming. Some critical questions to ask are: Do people care about climate change? Why not? What's the way forward?

How much do we care?

Numerous studies show that public concerns over climate change are increasing in recent years. According to Pew Research Center and Reuters Institute at the University of Oxford, two-thirds of respondents worldwide consider that climate change is a very serious problem, and those numbers are higher than ever before. However, it is worthwhile noting that around 29 % and 27% of the participants in the above studies, respectively, do not have major concerns about climate change.

What's adding to the issue is that these surveys might have overestimated people's worries on climate change due to social desirability bias, which refers to a situation that survey respondents tend to answer survey questions in a way that is desirable for their social norm. For this reason, respondents in those environmental surveys might have exaggerated their worries on climate.

For example, according to data retrieved from <u>Google Trends</u>, people are paying way more attention to pets and celebrities rather than to our climate.



Why not?

From the perspective of evolutionary psychology, human beings might be genetically wired to ignore climate change. To survive and pass on our DNA, evolutionary forces have made us respond to personal and immediate threats/stimulus, while climate change is an incremental, slow-moving process. As a result, the human mind cannot perceive climate change, let alone know how to respond to it (see Pahl et al. 2014 or Marshal, 2014).

From an economic perspective, the driving force of both economic and climate change – corporations – are not designed to be socially responsible since their primary goal is wealth creation. Milton Friedman (1970), a Nobel-prize laureate and economist, suggests that a company can have one and only one objective for the free market to work properly, and that is to make long-term sustainable profits while acting within the law. Corporations have minimal incentives to voluntarily act in a way that minimizes their carbon footprints if there is an additional cost to them.

This can also be explained using the language of finance: the time value of money. That is, a large amount of gain/loss in the distant future (i.e., high future value) has far less value in today's sense (i.e. low present value). This "discounting of future value" can be explained by opportunity cost, inflation, risk or uncertainty. Climate change will surely have a massive impact on the economy, but when? Since the effect may be perceived as a distant problem by many, it is discounted by a huge factor (mentally or statistically), resulting in a much smaller perceived value today. People have good reason to pay more attention to their pets, paying bills or striving for promotions, among many other things that are happening around them.

So, what's the way out?

Maybe we should not blame the individual, the free-market economy or corporations for their reluctance. The most critical player left out is the government, which must be responsible for regulating and directing the free market to move toward a greener future. Currently, we have very limited corporate social responsibility (CSR) regulations and laws in place, and we need more to direct corporate and consumer activities away from inevitable self-destruction. Another critical factor for the success of environmental regulation is global cooperation (e.g., the Paris Climate Agreement).

To create more motivation to change, we also need to harness the hard-wired short-term thinking of the population. One vital channel to do so is through media and education, which affect what we see and how we think. A good job has been done so far, at least for the <u>younger</u> <u>generations</u>, who <u>display more significant concerns over climate changes</u>. As people spend most of their time absorbing information through digital channels, governments and state media should also increase their spending in broadcasting the significance of climate change to boost public awareness. In turn, increased public awareness may bounce back and motivate the government towards more effective policy-making.



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