https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

GLOBAL CRISES

By David Schmidtz*

Abstract: *Sometimes, we see crises coming. Sometimes, we can muster the resources we need to respond effectively. Sometimes, we can acquire the information we need to respond effectively.*

KEY WORDS: perfect duty, federal debt, corruption, expertise

I. Introduction

Reasonable people scan horizons and see crises: natural disaster, pandemic, economic recession, armed conflict, or environmental degradation. Stephen Davies explains that in ancient times the word 'crisis' was used to mark an inflection point in the course of a patient's illness: either the fever would break and the patient would recover or else the patient would die.[1] Is obesity a crisis? Is malaria a crisis? Is it global? Let's say a crisis is global by virtue of posing far-reaching threats to health, environment, or financial and political infrastructure in ways that call for a coordinated international response. Examples arguably include the COVID-19 pandemic, the 2008 financial crisis, climate change, and Russia's invasion of Ukraine.

Sometimes, we imagine threats that may or may not materialize. Was Y2K a crisis? Science fiction imagines the rise of artificial intelligence as a global crisis. Is it? My research for this issue included trying ChatGPTx for the first time. I asked it to write this essay's abstract. What it produced was of little use. My small experiment did not suggest that ChatGPTx is a threat; on the other hand, I am imaginative enough to know that my imagination has limits.[2] My research also included reading newspapers, curious to see

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[1] Nowadays, at least sometimes, we use the word to refer to something more chronic that needs a response akin to long-term care or long-term lifestyle adjustment rather than to first aid. For immediate purposes, suffice it to stipulate that an 'emergency' is an existential crisis. Calling the U.S. National Guard is a way of responding to a perceived emergency, whereas "defunding the police" is a structural response to what is seen as an ongoing crisis. More generally, readers come in thinking they know what the terms mean. In that respect, ordinary language terms are not ours to redefine—so we aim to work with that rather than against incoming understandings. Definitions may be illuminating, but they should not be surprising.

[2] On the other hand, ChatGPTx is now one thread in a fabric of distractions that seems to be numbing many students to a point where they do not see education as anything more than

doi:10.1017/S0265052524000062
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which sky is falling according to this morning's journalists. What can we do except shrug off such news and get on with our day?

Spanning the essays in this volume is an awareness that not all problems have solutions. We may scan our horizons hoping to see some Marshall Plan coming together, but confidence that American "know-how" can fix the problem, no matter what it may be, has waned. This is for two reasons.

First, we have so very many problems. Simply listing clear and present dangers, together with those we can imagine, could fill the pages of this volume.

Second, we have only so many resources. Resources we use to prepare for one crisis could have been preparing us for another in a world that has a way of surprising even best-laid plans. Realistically, preparing for a crisis involves deciding what to ignore—what preparations to defer—in order to focus on what we can least afford to ignore.

Looming over everything is a crisis to which we apparently lack the will to respond. It is steadily undermining our ability even to undertake routine maintenance of community infrastructure, let alone gear up for crisis management. Namely, trillions of dollars' worth of future income that could have been helping us prepare has already been spent.

II. Limited Resources

U.S. federal debt today—held by the public, federal trust funds, and other government accounts—exceeds $34 trillion as I write in early 2024. By the time you read these words, it will be substantially higher.[3]

The U.S. currently spends 2.4 billion dollars per day simply paying interest on the principal. The cost of making interest payments is projected to roughly double over the next decade.[4] That money might otherwise be spent preparing for emergencies and crises. Moreover, federal debt is too gigantic not to impinge on state and local budgets as well. The Unfunded Mandates Reform Act of 1995 shifted responsibility for programs such as Medicaid from federal

learning to create an appearance of meeting course requirements. Are there pivotal stages of maturation where human beings need to acquire skills involved in paying attention? What if they have never gotten through a meal (or even a traffic light), much less a lecture, without sending a text message or multi-tasking in some way? What if, for them, asking "What would it be like to concentrate" is as mysterious and as novel as "What is it like to be a bat?" was when I was young?

[3] If you type "U.S. Federal Debt" into a search engine, you will immediately see a current number. You also can find information on Federal Revenues, national income, etc.

Note: Deficit equals expenses minus revenues in a fiscal year, so increasing revenues is—in theory—one of two ways to close a deficit. The trouble in observable practice is that revenues *are* increasing (roughly tripling since the year 2000), but aiming to increase revenues is like aiming to fill a bucket by opening the spigot. It should help, but it can't help much if the real problem is that the water is gushing out of a hole in the bottom.

[4] "What Is the National Debt Today?" Peter G. Peterson Foundation, https://www.pgpf.org/national-debt-clock#what-is-it-costing-us.

https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

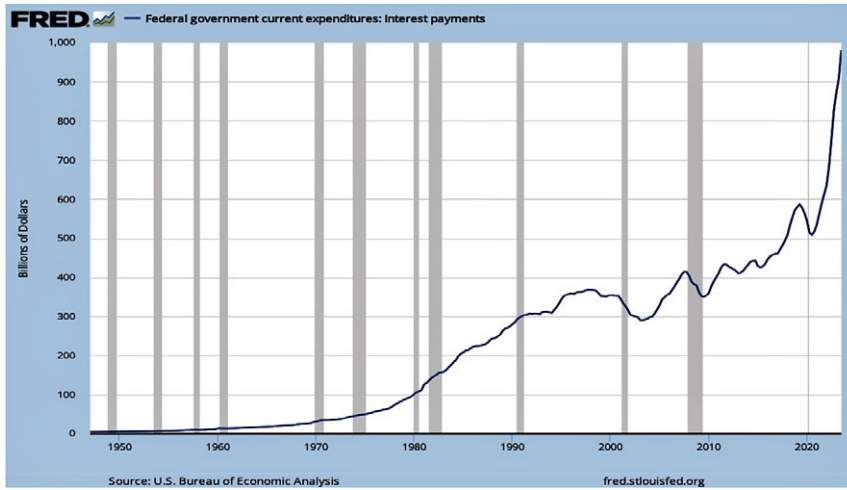


Figure 1. Cost of servicing the U.S. federal debt.

to state budgets.[5] Contextualizing such numbers is difficult, but hundreds of millions that once went into state funding of universities, schools, and local infrastructure now go to state funding of Medicaid.[6]

People have been sounding alarms about federal debt for some time, yet budgets are nowhere near being balanced and the accumulated debt that needs servicing keeps growing. Figure 1 shows a graph picturing the rising cost of servicing that debt.[7]

The U.S. federal debt is so huge that the United States is not far from being unable even to make *interest payments* on it.[8] What will become of the financial system at that point? Does anyone know? That suggests another issue: namely, we may be facing a crisis of misinformation and disinformation. We need expertise in identifying expertise, but this is an expertise that we often do not have. As Allen Buchanan notes, our "efforts to deal with the pandemic have been hampered by doubts about who has the relevant expertise." Buchanan hopes that "[i]f officials are required to give public

[5] "Unfunded Mandates," Ballotpedia, https://ballotpedia.org/Unfunded_mandates. As of Fiscal Year 2023, total state expenditures are around three trillion dollars. More than 29 percent of that goes to Medicaid, while less than 9 percent goes to higher education, and less than 19 percent goes to K–12 education.

[6] See the table and data of "Summary: 2023 State Expenditure Report," 2–4, National Association of State Budget Officers, downloadable at https://www.nasbo.org/reports-data/state-expenditure-report.

[7] "Federal Outlays: Interest," FRED Economic Data, https://fred.stlouisfed.org/series/FYOINT.

[8] Paul Krugman, "Why We Should But Won't Reduce the Budget Deficit," *New York Times*, October 10, 2023, expresses similar concerns, www.nytimes.com/2023/10/10/opinion/us-budget-deficit-interest-rates.html?.

https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

justifications for their policies and to respond to dissenting voices, the public will be in a better position to judge whether their claims to expertise are justified." Needless to say, there is no panacea when it comes to sorting out which experts we can trust to stay within the limits of what they know.

The U.S. debt crisis is not new and is not unforeseen. It is not the country's first financial crisis and it will not be its last. In the 1970s, there was a crisis in the Savings and Loan industry. Savings and Loan customers were throwing money into Certificates of Deposit that were paying fourteen percent or more, even though the implied cash flow was beyond the ability of Savings and Loan companies to cover without a Federal Deposit Insurance Corporation (FDIC) bailout. Customers did it anyway. It was not their problem. Deposits were, after all, FDIC-insured.

The U.S. survived that crash. Its causes seem clear—understood and predicted (if not prevented) at the time. The crash of 2008 seems more complex, yet still an example of toxic incentive structures grinding toward foreseeable disaster.[9] From what I have read, junk bonds and mortgage-backed securities were packaged together to create an appearance (but not a reality) of diluted risk. The idea was to create an appearance of risk pools that would let the pooled asset count as self-insurance against the risk of default by any particular debtor. But the appearance of risk-spreading was a mere appearance. Why? Because when mortgages were over-leveraged to that extent (no money down!), even a minor economic downturn could result in a mortgage being foreclosed. What foreclosed one mortgage would produce a cascade of falling prices so that houses everywhere were "under water"—that is, a house's appraised value was less than the amount owed on it, leaving the ostensible owner with no equity, thus less invested in making mortgage payments—which affected all of the similarly over-leveraged risks being bundled together ostensibly to offset each other. The collapse of Lehman Brothers in 2008 was a catastrophe in itself, but it was also a symptom of something bigger.[10]

We described financial markets as an orgy of greed. But why 2008? It is not as if 2008 was the year when greed was invented. What happened to transform a ubiquitous and eons-old germ of greed into 2008's flesh-eating superbug? Why was 2008 the year in which the rule of law turned its back on us?

III. Limited Information

Has our problem—having insufficient expertise at identifying expertise—gotten worse? The internet gives us far more information than we once

[9] I tried without success to find an expert to explain this topic for this volume. Failing that, in a volume on global crises, even if all I can do is to acknowledge that the topic needs our attention, I felt obliged to at least do that.

[10] See Loren Lomasky, "Liberty After Lehman Brothers," *Social Philosophy & Policy* 28, no. 2 (2011): 135–65.

https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

had, but also seems to be giving us far more noise. We have no experience handling that much noise.

Even senators and congressional representatives are far from having access to expertise they can trust. Buchanan aptly describes the COVID-19 pandemic as not only a health crisis but also a crisis of information. In general, facing an apparent crisis—whether it be with regard to health insurance, the banking industry, or whatever—and seeing a need to overhaul regulations governing a given industry, legislators have little choice but to turn to captains of industry who evidently have relevant expertise. It is not legislators' fault that such experts as legislators are in any position to identify are proverbial foxes guarding the henhouse. Principal-agent problems in general and problems of regulatory capture in particular seem inevitable.

A further problem is that someone with expertise in an area such as immunology may not realize when a situation is transitioning from needing that kind of expertise to needing another kind. Americans trusted Anthony Fauci to manage the pandemic. Did he do well? That answer polarizes us, but in retrospect, it seems fair to say that what we asked of him was too much to ask. In retrospect, he was thrust into a situation for which such expertise as he had was not what the situation required. Should Fauci have been frank about being in over his head? Had he done so, would he have been replaced by someone who knew even less? Do we know enough about relevant counterfactuals to know what would have been better?

IV. Limited Liability

Not everything can be treated as a personal crisis, so how do we know when *your* door is the one that a crisis is knocking on? Buchanan considers differences between perfect and imperfect duties and explores treating pandemic preparedness as a perfect duty. What would that be like? Are we imagining a world where countries can demand needed assistance as a matter of right? Would that be true of every crisis or is there something special about pandemics? (Did Fauci judge himself to have a perfect duty to aid in pandemic preparation? If he had, would he have done anything differently?) In philosophy, we use the term 'perfect duty' to refer to an enforceable duty. But of course, the issue in practice is never simply *whether* to enforce but *how* to enforce. What tools of enforcement would we create? Who would be trusted with such power? At what cost?

What if money we could spend on meeting one perfect duty could have been spent on another? Alternatively, do we want to call it true by definition that we can only have one perfect duty at a time? If we do, we still need to sort out what to regard as a relatively low priority under the circumstances. We might not be able to avoid treating cries for help as having *weight* rather than as claims of full-blooded *right*—that is, as weights rather than trumps.

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When would embracing a duty as perfect amount to making a promise that we may not be able to keep?

Apart from all this, there can of course be strategic reasons that concern when your interest or your country's national interest is best served by sharing or by committing ourselves to duties of mutual aid. It is not always, or even typically, in your best interest to let your neighbors fend for themselves when they plainly need help. Furthermore, there surely are moral questions that sometimes preempt strategic questions of when to help a neighbor, but then, what does that say about moral questions? Could a perfect duty require us to ignore whether we can afford to meet its demands?

Udo Schuklenk delves further into the constraints of drastically limited resources together with drastically limited information within which so-called experts have no choice but to operate. Schuklenk uses the recent COVID-19 pandemic as a model of what to expect. Reflecting on the same events, Govind Persad considers whether the market's way of managing scarce resources—allowing people to buy and sell the right to be vaccinated when there is not enough for everyone—would be permissible, as opposed to regarding one's right to be vaccinated as inalienable, and thus as not legitimately transferable even with consent.

We did not know in early 2020 that RNA vaccines were feasible, but we knew enough to reasonably hope they would prove to have been worth a try.[11] This suggests a kind of discovery frontier where there is a blurring of the line between plainly practical options versus warranted aspirations. Imagine English politician William Wilberforce calling on England in 1789 to invest in infrastructure for air transportation. Intuitively, that would have been premature, too early to even be worth a try. However, what the historical Wilberforce demanded in 1789 was the abolition of England's slave trade. That likewise was premature in a sense, insofar as Wilberforce could not muster the votes at that time and was mocked for even trying. And yet, Wilberforce's faith that England would one day have the will to abolish the slave trade proved to be entirely realistic and it was anything but a waste of time for him to have begun calling for abolition when he did. Ultimately, it proved to be Wilberforce's time, and his triumph, even if the effort would take the rest of his life.

[11] Michael F. Cannon, "Health Policy As If People Mattered," *Social Philosophy & Policy* 41, no. 2 (forthcoming), notes that German scientists validated the first COVID-19 diagnostic test on January 13, 2020. Yet, for months, the U.S. Food and Drug Administration (FDA) prohibited public health officials from using those tests. Cannon says that the FDA granted the U.S. Centers for Disease Control and Prevention (CDC) the first, and for a time only, regulatory approval in the U.S. of a COVID-19 diagnostic test. But the CDC contaminated its own lab and sent test kits around the country that were useless by virtue of being contaminated, leading some scientists to put themselves in legal jeopardy by developing and using COVID-19 diagnostic tests without FDA approval. What would justify trusting any agency to be *the* authority on what is worth a try?

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Was Wilberforce's duty a perfect duty? It was not paradigmatically perfect, since another aspect of the concept of a perfect duty (as Buchanan notes) is that it is determinate, meaning there are no open questions regarding exactly what to count as complying with it. But that leaves us needing to acknowledge that calling a duty perfect is not a way of solving a problem so much as a way of characterizing it. I *perfect* a duty when I stop seeing *x* as a problem "someone" should address and start seeing *x* as *my* problem.

Nothing is implied about whether my subsequent attempts to solve the problem will be effective. As Buchanan sees it, that is part of the point of perfecting duties as *institutional* duties. Agency *x*, tasked with solving a particular problem, does what it can within the limits of the budget allocated to it for solving that problem. Agency *w*, tasked with overseeing Agency *x,* aims to determine: Is *x* discharging its duty successfully? Is its budget adequate for the task? Is *x* wasting the resources it has? And so on. But at the end of the day there will be an accounting and there will be determinate facts about whether Agency *x* did what it needed to do.

V. Carrying the Weight of the World

Is there is a perfect duty to "put your own face mask on first before you help your fellow passengers?"[12] If not, why not? If your country is developing medical technology on which the rest of the world more or less free-rides, then protecting your country's capacity to keep it up is in the whole world's interest. However, that is logically compatible with other countries calculating that it is in their strategic interest to pretend otherwise and claim instead that justice requires you to prioritize their needs above your capacities. If other countries were cooperating, that would not happen. They would back off and let you do your job. Yet their individually best strategy might be to defect, jump the gun, try guilt-tripping, and see what happens.

Some people might find it more plausible that we have duties to protect people from invasions than that we have duties to protect them from infections. They may see the former but not the latter as a response to evil rather than to misfortune and see the distinction between evil and misfortune as relevant to deciding when we are in a realm of perfect duty.

Tyler Cowen explores an issue that the pandemic made obvious to everyone, namely, the globalization of supply chains that has made supply chains longer, vastly more valuable, yet also considerably more fragile. Moreover, national defense has in important ways become a global supply chain issue. The manufacture of modern weapons draws on parts from so many countries that it is difficult even for the military itself to be aware of the full range of its interdependencies. A more general issue is that Europe, for example, outsourced its national defense to the U.S. Europe recently seems to be

[12] Jean Hampton's "Selflessness and the Loss of Self," *Social Philosophy & Policy* 10, no. 1 (1993): 135–65, is a classic on this issue, although that wasn't her name for it.

https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

regretting that and has been asserting a right and responsibility to prepare its own defense. Julian Culp generalizes with a look at the fragility of internationalism per se. Gopal Sreenivasan follows up with a look at nationalism and sovereignty. Shmuel Nili reflects on democracy and hypocrisy, especially in the context of military intervention.

Cécile Fabre looks at crises of military intervention. We held the workshop on which this volume is based in Washington DC in the thick of the COVID-19 crisis. Yet we could look out of our conference window and see people marching to protest the overturning of *Roe v. Wade.* In early 2024, Russia's invasion of Ukraine is ongoing, amid not-so-subtle threats from the Vladimir Putin Administration that it would rather start a nuclear war than let its conventional military be revealed as a bureaucratized, barbaric mess. People talk about corruption in the Russian military as undermining its invasion of Ukraine. Implicitly, what we call corruption in the narrowest sense, namely, selling the services of a public office for private gain, is at most one kind of corruption.[13] More generally, Davies sees efficiency loss as an inherent downside of central authority, as chains of command become long enough to corrupt the signals that need to be sent up and down the chain. Understandings of inherently local problems, plus technical knowledge of how to solve such problems, are all inherently dispersed, so there is a drastic theoretical limit to how competent a centralized administration can be. The corruption of the Russian army consists not in the army coming to be populated by seekers of bribes, but rather, in the army coming to be staffed by "Dilberts." Dilberts see that their superiors are clueless. They further see that their superiors are also Dilberts, whose only job (as they see it) is to tell *their* clueless superiors whatever their superiors want to hear. Analogs of the nightmarishly brutal incompetence of the Russian military are all around us, albeit in less obvious form. When decisions are made at the top of a complex chain of command, it is just a matter of time before someone gets punished for honestly reporting that a superior's plan is not working. When that happens, everyone else takes the hint and dedicates themselves to avoiding the blame that goes with being the messenger who sends bad news up the chain of command.

VI. Environmental Crises

Davies notes that inadequate supplies of energy have amounted to a crisis before. As he also notes, climate change has been devastating before and may again be so. So too with prospects for pandemics. Margaret Moore looks at the ongoing loss of biodiversity. Alex Rosenberg looks at climate change and energy technology. We need a new marketable means of producing low-cost clean energy. This is the essential idea. It sounds like

[13] See *Social Philosophy & Policy* 35, no. 2 (2018) for a special issue devoted to the topic of corruption.

https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

wishful thinking, although what sounds like wishful thinking sometimes turns out not to be. That which sounds like wishful thinking cannot at the same time be very encouraging. And yet, nuclear fusion has recently been demonstrated in the laboratory.[14] Whether that means much in practice, or when it will mean something, remains a matter for speculation.

VII. Liberalism in Crisis

Are we facing a crisis of liberalism? Have we lost faith in what we once called "Western Civilization?" As Jonny Anomaly and his colleague Filipe Nobre Faria see it, liberalism faces a multidimensional crisis. One dimension, namely, that most people now live in countries that are at subreplacement fertility, is seldom mentioned in the philosophical literature. Why would this be happening? The obvious answer is that women are more free to choose whether their lives will revolve around raising children. But the trend may also be an effect of a not-yet-understood environmental crisis, namely, that some of the decline may be due to declining male fertility.[15] In any case, children today are growing up in bubbles, with few if any siblings, and few if any aunts and uncles. So, if growing numbers of people feel more comfortable communicating by text message rather than face to face, that may be part of the reason why.

If thinning demographics are contributing to a sense of isolation, that hints at a connection between declining fertility and a second dimension of the crisis of liberalism that Anomaly and Faria are describing, namely, declining social trust.

Although both trends seem global in nature, Anomaly and Faria see liberalism as making it more difficult for Western liberal communities in particular to respond to such declines. Anomaly and Faria discuss trends in urbanization and trends that reduce patterns of familial interdependence, as average workers become rich enough to afford to put more distance (literally and figuratively) between themselves and their friends and relatives. To Anomaly and Faria, those who prioritize individual liberty are, for better and for worse, not a tribe. Tribes have a will to protect their culture that liberals do not have. It is not that liberals lack moral conviction, but rather, that their conviction is partly a commitment to refusing to see the "other" as a threat. The liberal conviction, for better and for worse, is that

[14] David Baker and Will Wade, "Giant Laser from 'Star Trek' to Be Tested in Fusion Breakthrough," *Bloomberg*, December 21, 2022, https://www.bloomberg.com/news/articles/2022-12-21/nuclear-fusion-energy-breakthrough-tests-world-s-largest-laser-star-trek-style?leadSource=uverify%20wall.

[15] See Brenda Goodman, "Sperm Counts May Be Declining Globally, Review Finds, Adding to Debate Over Male Fertility," *CNN*, November 18, 2002, https://www.cnn.com/2022/11/18/health/sperm-counts-decline-debate/index.html.

But see also Christina Szalinski, "Are Sperm Counts Really Declining?" *Scientific American*, June 1, 2023, https://www.scientificamerican.com/article/are-sperm-counts-really-declining/

https://doi.org/10.1017/S0265052524000062 Published online by Cambridge University Press

liberalism need not be colonial, need not paint the world as zero-sum, and need not win. Liberalism's triumph lies in its ecumenical will to embrace the "other." To Anomaly and Faria, however, therein lies a potential weakness as well.[16]

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[16] See the next issue of *Social Philosophy & Policy* on the topic of ideology.

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