

# Inequality and global environmental crisis: exploring nexus



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## Introduction

The planet today is at a crossroads with unrestrained consumption and production transgressing planetary thresholds, jeopardising the generativity of the earth and the social structures that are dependent on it (Magdoff & Foster, 2011). A lot of environmentalists, scientists, business enterprises are all offering solution to the problem; green consumption, growth of capital markets, technocratic fixes etc. A closer examination indicates that most of these fixes elucidates an implicit optimism in the market mechanism and fails to “ *embed ecological challenges in tangible social realities* ”(Laurent, 2014) . The mainstream approaches to the environmental crisis attempt a symptomatic treatment of the issue and often fails to trace the root cause of the crisis. Understanding causation is essential to make a deeper sense of the question, “ *who produces what kind of socio-ecological configurations for whom* ” (Heynen, Kaika, and Swyngedouw 2006 pg. 7).

The mainstream or neo classical paradigm locates the origins of all environmental problems including climate change, to the absence of a well-functioning market for environmental goods. The source of environmental damage is that preferences for environmental goods are not revealed in market prices, and then the solution is to ensure that they are (O’Neill, 2001). When private and social costs diverge externalities arise. The term externality when used in mainstream language denotes that these factors are presumed to exist outside the purview of the system’s operation (Nadeau, 2010). Environmental externalities exist outside the purview of market and hence market prices fail to reflect the real cost of environmental damage. Thus it calls for internalising the externalities through tradable

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property rights or alternatively constructs shadow prices for environmental goods by ascertaining what individuals would pay for them, were there a market (O'Neill, 2001).

Contrary to the neo classical conception markets are open systems that are integrated and embedded within the socio-ecological environments. The neo classical process of rationalisation involves artificial separation of different fields of human life and the narrow means end rationality fails to consider these dimensions in an integrated way (Lejano & Stokols, 2013).

International negotiations on climate change underplay the social costs embedded in the production process, there-by attempting only a symptomatic treatment of the issue. O'Neill 2001 argues that the origins of the environmental crisis can be traced back to the spread of market mechanisms and norms where they are completely inappropriate. The fundamental question the critics of the neo classical paradigm pose is, Can the structure which generated the environmental crisis find fixes within itself? Bookchin 1996 articulates that man's relationship with nature reflects realities of social domination in the form of hierarchies, class, race among others.

The failure of neoclassical economics is evident now with the world reeling under the twin crisis, economic and ecological. Foster 2008 argues that the mainstream fixes to ecological problems comprises of three automated responses namely "(1) technological bullets, (2) extending the market to all aspects of nature, and (3) creating what are intended as mere islands of preservation in a world of almost universal exploitation and destruction of natural habitats". The Marxist argument directly links the production relation <https://assignbuster.com/inequality-and-global-environmental-crisis-exploring-nexus/>

in the existing system of capitalism to the climate change phenomenon. Foster and Clark 2009 gives a convincing explanation for the crisis. In their language, the process of disrupting the metabolic relation of man with nature is called ' metabolic rift'. Metabolic rift creates a distance between the site of production and consumption. Mostly this widens the divide between urban-rural and centre-periphery, causing serious environmental hazards for both (Foster & Clark, 2009). The ecological crisis according to Marxist argument is an inherent feature of the capitalist system which they believe is good at fermenting crisis. Environmental questions are all encompasses and all interconnected. Capitalism and its conceptualization of nature as an object separate from humankind opened the possibility of ecologically harmful methods of capitalist production.

Beck 1992 argues that the modern society is a risk society and the social production of wealth is often accompanied by social production of risk. Most often the havoc wreaked by the capitalist accumulation remains unknown and is even passed on to generations. Inequalities in the form of class and strata, leads to springing up of social risk positions. (ibid). The diffusion and commercialisation of risks also creates winners who profit from the risk as well as losers who bear the costs associated with it (Beck, 1992; Boyce, 2013). The mainstream fixes of the global environmental crisis attempted within the system also typically create a group of winners who benefit and capitalise from the climate crisis. Disaster capitalism as it is popularly called precipitates disasters and employs these disasters as an opportunity to facilitate its expansion (Fletcher, 2012).

The political economy of environmental degradation depicts a strong reciprocal and complex relation linking inequality and the environmental crisis. This is an outcome of the questions of class and other forms of socio economic inequality that is built into the current system of production and consumption (Magdoff & Foster, 2011). Social and economic inequalities based on class race ethnicity and gender translates into environmental inequalities. Climate change, the most catastrophic form of environmental crisis was also manufactured in a concoction of socio economic inequalities generated by neo liberal exploitation and unjust appropriation of global carbon space by the developed countries. Per contra the hazards associated with climate change fluctuates rapidly among different social groups, falling disproportionately on the eco system communities, the working classes and the marginalised reflecting highly nonlinear relationship between climate and outcomes (Ribot, 2009). Szasz and Meuser 1997 notes that the distributional implications of the environmental crisis are juxtaposed on the existing coalitions of power and wealth, generated by ‘*the normal workings of international political economy*’. They depict “*environmental inequalities as a necessary and inevitable facet of social inequalities embedded in the very fabric of modern societies*” (*ibid pg. 113*). Thus it can be argued that socio economic inequalities often act as a driver of the environmental crisis and this in turn aggravates the existing inequities and disturbs the societal resilience. On the contrary environmental crisis exacerbates and also creates new forms of inequality triggering dynamic social consequences (Laurent, 2014). Human well-being is contingent up on natural capital and eco system services. Rogers et al. 2012 puts it like this, “*Key components of human well-being are dependent on well-functioning ecosystems and biosphere.*”  
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*Conversely maintaining a healthy environment and making the transition to environmental sustainability requires human societies that function well”.*

Hence it is of crucial importance to understand the process that create and contribute to the existence and sustenance of environmental inequalities.

The ecological and the economic crisis the planet is reeling under today calls for a fresh perspective in economic thinking. It points to a complete failure of the traditional economic models obsessed with the religion of economic growth, the outcome of which is a system where inequalities are generated and perpetuated in a vicious circle. However it is crucial to understand the nexus or relation between inequalities and environmental degradation for the evolution of clear compelling and viable alternatives. The following section looks explicitly at this relationship and arrives at a framework that depicts how inequalities trigger environmental degradation and the resultant crisis on one hand and how the environmental crisis can exacerbate the existing inequalities and create new ones.

Herein, the chapter locates the origin of current ecological crisis within the structural inequalities and resultant power differentials implicit in the current mode of production and consumption. The multiple entanglements between inequality and environmental degradation are examined to arrive at a comprehensive framework that depicts a vicious circle relationship where the former and the later mutually reinforce one another.

How do inequalities lead to environmental degradation and the resultant crisis?

The nexus between inequality and environmental degradation have been developed by the pioneering work of James. K. Boyce. He has an extensive array of work which exclusively explores the nexus between inequality and environmental degradation. He underpins that the quality of natural environment is a reflection of how power and wealth are distributed (Boyce, 2002, 2013) . The mainstream environmental thinkers and scholars juxtapose nature to humans where environment is often treated as a subset of the economy. Contrary to the popular notion Boyce argues that humans are a part of nature and not apart from it. Environmental inequalities are an inevitable reflection of social inequalities embedded in the very fabric of a capitalist society. Hence it is of crucial importance to understand the dynamics of allocating the risks and benefits of environmental degradation. Boyce argues that environmentally degrading economic activities need to be analysed through three basic questions (Boyce, 2013, p. 9).

*Who benefits or in other words who pollutes?*

Boyce argues that environmentally degrading activities typically creates winners who benefit from the activities and losers who bear the costs. The benefits from economic activities that generate environmental harm accrue to rich in the form of savings that accrue to the consumers in the form of cost externalisation since they consume more. For the producers the benefits accrue in the form of profits from cost externalisation (Boyce 2013: 14).

Inequalities in the form of income and class, among others fuels luxurious consumption patterns. In societies with higher levels of inequality,

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consumption is a means to seek social certification and status (Wisman, 2010). Pickett and Wilkinson 2010 notes that consumption decisions are triggered by pressures of status competition, often intensified by higher levels of inequality. Bourdieu describes consumption as a way for the higher social classes to distinguish themselves from the lower social classes (as cited in Gram-Hanssen, 2004). Bourdieu distinguishes between three types of classes the bourgeoisie, petit bourgeoisie and the working class.

According to him “ the taste of the bourgeoisie is closely connected with appreciating what requires much money (economic capital) or a high cultural competence (cultural capital) which other classes do not possess. The taste of the petit bourgeoisie is defined by their trying to emulate the taste and norms of the bourgeoisie whereas the taste of the working class is defined by the choice of necessity (ibid)”. Another feature of status competition is that it biases consumption in favour of private goods as opposed to public ones such as quality of the environment.

[i]A lot of popular approaches link poverty to environmental degradation where the poor degrade the environment in their quest to survive. Thus the capitalist fix for the problem calls for more economic growth to uplift the poor , the benefits of which does not often trickle down and leads to further degradation as humanity so far has not been able to isolate growth from its negative environmental effects (Wisman, 2010). Boyce depicts that if the amount of degradation per dollar were roughly the same for both groups, the richest 20 percent of the world’s people would account for 140 times as much environmental degradation as the poorest 20 percent (Boyce, 2002, p. 6). Thus it can be argued that socio economic inequality remains at the core



of unsustainable consumption patterns that are energy and resource intensive (Rogers et al., 2012). The debates on sustainable consumption are dominated by powerful actors who still propagate the agenda that sustainability is compatible with increasing levels of consumption made possible by technological innovations. The absolute reductions in consumption patterns are often put off the table by powerful actors “ who set the agendas and influence people’s behaviour options and their impacts”(Fuchs et al., 2015). Thus the rationale for altered consumption patterns and lifestyle is often underplayed, which puts excessive pressure on the current resource base of the planet.

### *Who bears the cost?*

The very existence of socio economic inequalities renders as invisible certain groups of people. Schlosberg, 2012 notes that mal recognition promotes distributive injustices on the line of class, race, income, gender etc. When people are not recognised and their voices muted, they lose control over their own lives . Ribot, 2009 notes that the impact of a similar climate hazard varies considerably among different groups of people at the same time. Thus vulnerability to environmental change inherently exists within the system or the communities who are exposed to it . Inherent vulnerability is an outcome of underlying political economy that determines assets and patterns of access (Brooks, 2003). Sen and Nussbaum develops this notion further through the capabilities approach which focuses not only distributive inequities but also capacity to lead functioning lives (Schlosberg, 2012) . Wisner, Blaikie, Cannon, & Davis, 2003 notes that socio economic exclusion and marginalisation renders access to livelihoods and resources that are <https://assignbuster.com/inequality-and-global-environmental-crisis-exploring-nexus/>

insecure and unrewarding . Socio economic inequalities thus determines the inherent vulnerability of a system or social vulnerability defined as “ those properties of a system independent of the hazard(s) to which it is exposed, that mediate the outcome of a hazard event” (Brooks, 2003, p. 5). The vulnerability associated with a natural hazard is produced when social vulnerability acts upon a triggering natural event and hence it becomes a determinant of bio physical vulnerability. Thus as Laurent, 2014 notes “ inequality acts as a multiplier of social damage caused by environmental shocks”.

### *Why is it so? The politics of risk transfer*

The history of risk distribution shows that like wealth risks also adheres to the class pattern; only inversely wealth accumulates at the top risk at the bottom. Newell, 2005 notes that environmental bads are distributed along the rooted structures of socio economic inequality along the lines of race, class, gender etc. The difference between the winners and the losers is attributed to power differentials. With greater inequality in the distribution of power those agents with more power are able to impose high external costs on those with less power and this there by affect the slice of the pollution pie as well as how it is sliced. Bullard depicts this clearly in his pioneering work on environmental justice “ Dumping in the Dixie”(Bullard, 2000). For e. g. he shows that out of 8 garbage incinerators in Houston 6 were in black neighbourhoods and one in a Hispanic neighbourhood. All the 5 landfills in the city were also located in black neighbourhoods. He contends that siting decisions merely followed the path of least resistance. “ The unequal sharing

of benefit and burden engenders feelings of unfair treatment and reinforces racial and class distinction" (Bullard, 2000, p. 88).

Boyce explains this with the help of " power-weighted social decision rule". "*When the winners are powerful relative to the losers, more environmental degradation occurs than in the reverse situation*" (Boyce, 2013, p. 38).

The greater the inequality of power, greater will be the social cost of environmental degradation. The process of risk transfer where the costs of environmental degradation are passed on to those who are not responsible for it is conditioned through differences in power often made possible through state intervention. Boyce depicts this as differences in purchasing power and political power which are often correlated with one another. Both these forms of power render it impossible to arrive at the optimum level of pollution prescribed by the cost benefit analysis (ibid). Besides a clean and safe environment is not a pure public good and it is also possible to purchase private insulation from public bad using the clout of purchasing and political power. Beck puts it like this, "*Exponential growth of risks, impossibility of escaping them, political abstinence and the announcement and sale of private escape opportunities condition one another*". The costs to the losers are simply ignored by the winners who pursue the activity as long as it remains privately beneficial for them to do so, i. e. as long as they are not held accountable. Thus as Laurent, 2014 notes inequality renders the rich unaccountable for their actions by creating conducive conditions for transferring the associated environmental damages to the poor and the powerless.

## Environmental crisis and Inequalities

The link between environmental crisis and inequalities can be examined through the notion of strong sustainability which highlights the limited substitutability of natural capital for human existence and well-being, in a unique way such that it cannot be replaced by any other forms of capital (Ekins, Simon, Deutsch, Folke, & De Groot, 2003; Pelenc, Lompo, Ballet, & Dubois, 2013). Ekins et al., 2003 et al depicts these contributions in the form of resources provided by the ecosystem components, life support and regulation functions that maintain stability and resilience, as well as a sink for absorption of waste from human activities. This leads to a concept of Critical Natural Capital that performs essential ecosystem services to present and future wellbeing characterised by its irreversibility when thresholds are crossed provoking an ecological crisis (Pelenc, 2010). Brand, 2009 notes that nature constitutes an integral part of the socio cultural identity for many indigenous communities and social groups often entwined with their food and livelihood security. The environmental crisis like climate change disproportionately affects those communities who are directly dependant on ecosystem services.

Hence erosion of ecosystem services through its unsustainable use and degradation could lead to loss of capabilities for present generations and to some extent future generations. Thus environment crisis primarily impairs the socio ecological resilience of resource dependent communities. The welfare impact of erosion of ecosystem services as an outcome of the environmental crisis is mediated through existing power relations where certain actors can mobilise certain endowments to make effective use of <https://assignbuster.com/inequality-and-global-environmental-crisis-exploring-nexus/>

some others. (eg. when rainfall decreases the rich farmers can invest capital and artificially irrigate their land through sprinklers etc.) Anu Kapur opinions that “ Vulnerability is like a leak that allows forces agents and processes to break in and thus impact” (Kapur, 2008, p. 196). Environmental degradation or environmental crisis acts on the inherent vulnerability in a place, community or social group there by acting as a crisis catalyst. “ Any weakness is susceptible to exploitation. Natural forces can roam and rein free in a land where people are disadvantaged” (Kapur, 2008, p. 205) .

Boyce, 2013 argues that unequal vulnerabilities before and during a disaster often continue to play out in the period of disaster. After a disaster they have great difficulty in recovering from disasters due to less insurance, lower incomes, fewer savings, unemployment, access to resources etc.(ibid). When evaluated through the cost benefit analysis lens, public policies place a lower priority on less valuable people and their assets. Thus the resilience capacity of any social group or population is not determined just by external factors such as disasters or climate shocks but the regenerative capacity of a social or an ecological system as defined by socio economic and political conditions (Ribot, 2009).

Adaptation and mitigation strategies following an environmental crisis places more value on the assets of the rich and powerful. When the costs of climate protection are measured by “ willingness to pay” approaches the whole issue burns down to a question of haves and have not's. Willingness to pay is contingent on ability to pay and hence the preferences revealed in the market need not necessarily depict the preferences for environmental quality. Boyce illustrates this with a striking example (Boyce, 2014). He <https://assignbuster.com/inequality-and-global-environmental-crisis-exploring-nexus/>

proposes an imaginary solution will cause world incomes to fall by 25%. For the majority of the marginalised and the poor who live on one dollar a day it leads to a loss of mere 25 cents. However this small amount entails a question of survival for them. On the other hand a real estate baron with an income of about \$2000 per day will lose 500 \$ daily. In monetary terms the loss is much higher for the baron and thus traditional economic models will be biased towards protecting the baron's interest because it rests on logic of economic efficiency that counts each dollar equally. Boyce argues that this attitude was visible brutally in the 1992 memorandum signed by Lawrence Summers , then chief economist of the world bank when he stated that " the economic logic of dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that."

The ecological crisis also mystifies inequalities on ground through the emergence of new market fixes for the same. Termed as disaster capitalism by Naomi Klein it is defined by her as orchestrated raids on the public sphere in the wake of catastrophic events combined with treatment of disasters as exciting market opportunities (Klein, 2007). Neo liberal policies seek to harness crisis as opportunities for continued economic expansion. The neo liberal fixes for the ecological crisis includes commodification of nature, privatisation of state controlled resources, restricting participation of local communities by transferring governance to non-state actors, increased exploitation of dwindling natural resource for short term profits etc. (Naidu & Panayiotis, 2010). Termed as accumulation by dispossession by Harvey, solution to the environmental crisis promotes exclusion by alienating the minority of their rights to use nature (ibid). Beck, 1992 argues that in the risk

society, risk themselves becomes big business opportunities. As the environmental crisis unfolds we see these patterns emerging. For e. g. under the name of CDM we see the developed countries displacing or transferring their emissions to poorer societies by paying the latter to reduce their own emissions. Neo liberal capitalism has succeeded in commodifying not just environment but also environmental concern in the form of green economy, green consumerism, and carbon markets to address climate change among others. Thus as Laurent argues contemporary ecological crisis poses a severe threat to social justice through the rise of environmental inequalities (Laurent, 2014).

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[i]This aspect is discussed in detail in Chapter 2.