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Global Warming and Modern Capitalism

By James Gustave Speth

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EMILY FLAKES

In 1970 James Gustave Speth co-founded the Natural Resources Defense Council, which has become one of America's most well-endowed and high-profile environmental organizations. He worked in the White House under President Carter, chairing the Council on Environmental Quality; when Bill Clinton and Al Gore were elected in 1992, Speth was a senior adviser to their

transition team. He spent the 1990s as the administrator of the United Nations Development Program, where he integrated environmental sustainability into the agency's poverty-fighting mission. Thus, what follows--his call for a radical departure from the movement's current strategy--comes from the ultimate environmental insider. --The Editors

I grew up in a small town on the Edisto River in South Carolina in the 1940s and '50s. As a boy, I often swam the Edisto, though at first I could not buck the river's current. But as I grew older and stronger, I was able to make good headway against it. In my environmental work for close to four decades, I've always assumed America's environmental community would do the same--get stronger and prevail against the current. But in the past few years I have come to the conclusion that this assumption is incorrect. The environmental community has grown in strength and sophistication, but the environment has continued to deteriorate. The current has strengthened faster than we have and become more treacherous. It is time to consider what to do besides swimming against it.

It is no accident that environmental crisis is gathering as social injustice is deepening and growing inequality is impairing democratic institutions. Each is the result of a system of political economy--today's capitalism--that is profoundly committed to profits and growth and profoundly indifferent to nature and society. Left uncorrected, it is an inherently ruthless, rapacious system, and it is up to citizens, acting mainly through government, to inject human and natural values into that system. But this effort fails because progressive politics are too feeble and Washington is more and more in the hands of powerful corporations and great wealth. The best hope for change in America is a fusion of those concerned about the environment, social justice and strong democracy into one powerful progressive force. This fusion must occur before it is too late.

Sadly, while environmentalists have been winning many battles, we are losing the planet. Half the world's tropical and temperate forests are gone. The rate of deforestation in the tropics is about an acre a second. Half the planet's wetlands are gone. An estimated 90 percent of the large predator fish are gone and 75 percent of marine fisheries are overfished, fished to capacity or depleted, up from 5 percent a few decades ago. Twenty percent of the corals are gone; another 20 percent severely threatened. Species are disappearing about 1,000 times faster than normal. The planet has not seen such a spasm of extinction in 65 million years, since the dinosaurs disappeared. Each year desertification claims a Nebraska-sized area of productive capacity worldwide. Toxic chemicals can be found by the dozens in essentially every one of us.

Earth's ozone layer was severely depleted before the change was discovered. Human activities have pushed atmospheric carbon dioxide levels up by more than a third and have started the most dangerous change of all--planetary warming and climate disruption. Earth's ice fields are melting. Industrial processes are fixing nitrogen, making it biologically active, at a rate equal to nature's; one result is the development of hundreds of dead zones in the oceans because of overfertilization. Withdrawals of fresh water consume more than half of accessible runoff, and water shortages are multiplying here and abroad. The following rivers no longer reach the oceans in the dry season: the Colorado, Yellow, Ganges and Nile, among many others.

The United States--responsible for about 30 percent of the carbon dioxide added to the atmosphere--is, of course, deeply complicit in these global trends, and four decades of environmental effort have not stemmed the tide of decline. The United States is losing 6,000 acres of open space every day, and 100,000 acres of wetlands every year. Forty percent of US fish species are threatened with extinction, a third of plants and amphibians, 15 to 20 percent of birds and mammals. Half of US lakes and a third of the rivers still fail to meet the standards that the 1972 Clean Water Act said should be met by 1983, and a third of Americans live in counties that fail to meet EPA air-quality standards. We have done little to curb our wasteful energy habits or our steady population growth.

All we have to do to destroy the planet's climate and biota and leave a ruined world to our children and grandchildren is to keep doing exactly what we are doing, with no growth in the human population or the world economy. Just continue to release greenhouse gases at current rates, impoverish ecosystems and release toxic chemicals at current rates, and the world in the latter part of this century won't be fit to live in. But human activities are not holding at current levels--they are accelerating dramatically.

The world economy has more than quadrupled since 1960 and is projected to quadruple again by mid century. At recent rates of growth, it will double in fifteen to seventeen years. It took all of human history to grow the \$7 trillion world economy of 1950. We now grow by that amount in a decade. Societies face the prospect of enormous environmental deterioration just when they need to be moving strongly in the opposite direction.

The escalating processes of climate disruption, biotic impoverishment and toxification--which continue despite decades of warnings and earnest effort--are a severe indictment of capitalism. Capitalism as it is constituted today produces an economy and politics that are highly destructive to the environment. An unquestioning commitment to economic growth at any cost, powerful corporations whose overriding objective is to grow by generating profits (including profits from avoiding the environmental costs they create, from amassing deep subsidies and benefits from government and from continued deployment of technologies designed with little regard for the environment), markets that fail to recognize environmental costs unless corrected by government, government that is subservient to corporate interests and the growth imperative, rampant consumerism spurred by sophisticated advertising and marketing, economic activity so large in scale that it alters the fundamental biophysical operations of the planet--all combine to deliver an ever growing world economy that is undermining the ability of the planet to sustain life.

Mainstream environmentalism has proved largely incapable of coping with these forces. It works within the system--raising public awareness, offering responsive policies, lobbying and litigating. America has run a forty-year experiment on whether this environmentalism can succeed, and the results are in. The full burden of managing accumulating environmental threats has fallen to the environmental community, both in and outside government. But that burden is too great. The system of modern capitalism will grow in size and complexity and will generate ever larger environmental consequences, outstripping efforts to cope with them. Indeed, the system will seek to undermine those efforts and constrain them within narrow limits. Working

only within the system will, in the end, not succeed. Transformative change in the system itself is needed.

The fundamental questions thus are about transforming capitalism as we know it. Can it be done? If so, how? And if not, what then? The good news is that there are a variety of prescriptions to take the economy and the environment off a collision course and to transform economic activity into something benign and restorative. The most important of these prescriptions range far beyond the traditional environmental agenda.

Market failure can be corrected by government, perverse subsidies can be eliminated and environmentally honest prices can be forged. The laws, incentives and governance structures under which corporations operate can be transformed to move from shareholder primacy to stakeholder primacy. But even more vital is the need to challenge economic growth and the consumerism it depends on. This challenge is as relevant to addressing social problems as environmental ones.

The never-ending drive to grow the economy undermines families, jobs, communities, the environment, a sense of place and continuity, even national security--but we are told that, in the end, we will somehow be better off. America has not applied its growth dividend to meeting social and environmental needs. There is good evidence that increased incomes do not lead to greater satisfaction with life. In affluent countries we have what might be called uneconomic growth, to borrow Herman Daly's phrase, where, if one could total up all the costs of growth, they would outweigh the benefits.

Overriding commitment to economic growth--mere GDP growth--is consuming environmental and social capital, both in short supply. Affluent countries must become postgrowth societies where jobs and work life, the environment, communities and the public sector are no longer sacrificed to push up GDP.

There are many steps to slow growth while improving social and environmental well-being, such as: shorter workweeks and longer vacations; greater labor protections, job security and benefits; restrictions on advertising; a new design for the twenty-first-century corporation; strong social and environmental provisions in trade agreements; rigorous environmental and consumer protection, including full-cost pricing; greater economic and social equality, with progressive taxation of the rich and greater income support for the poor; heavy spending on public services and environmental amenities; a huge investment in education, skills and new technology; and initiatives to address population growth at home and abroad.

Instead of merely pursuing GDP growth, we need policies that address social needs directly--that strengthen families and communities and address the breakdown of social connectedness and the erosion of social capital; that guarantee good, well-paying jobs (and green-collar ones); that provide for universal healthcare and alleviate the devastating effects of mental illness; that provide a good education for all; that ensure care and companionship for the chronically ill and incapacitated; that recognize responsibilities to the half of humanity who live in poverty. There are many things that need to grow, and policy should concentrate there. Such measures, wise in

their own right, should be seen as environmental measures too: central parts of the alternative to the destructive path we are on.

Americans are struggling with the combined impacts of higher food and fuel prices, crumbling financial assets, tighter credit and layoffs. These problems are not the result of a slowdown in GDP growth, and they will not be cured by more growth. Each is the result of government failing to intervene in the marketplace--in financial markets, in housing markets, in labor markets and elsewhere. As with climate change, we are on the receiving end of misguided policies that have led to deep structural maladies.

High prices are a problem not because they are high but because people don't have the money, and alternatives (e.g., truly fuel-efficient vehicles) are not readily available. In a gutsy article in July, *Time* noted that \$4 gas was curbing sprawl, reducing pollution and traffic deaths, increasing fuel efficiency, and stimulating public transport, bike sales and walking. Honest prices would be higher prices for many things, but that does not mean Exxon should pocket the difference or that equity issues should remain unaddressed.

Conventional wisdom on the clash of economy and environment is that we can have it both ways, thanks to new technology. We do indeed need a revolution in the technologies of energy, transportation, construction, agriculture and more. But the rate of technological change required to deal with environmental challenges in the face of rapid economic growth is extremely high and rarely achieved. If pollution is cut in half but output doubles, there is no net gain. Housing, appliances and transportation can become more energy-efficient, but the improvements will be overwhelmed if there are more cars, larger houses and new appliances--and there are. There's a limit to how fast and far new technology can take us.

Parallel to transcending our growth fetish, we must move beyond our consumerism and hyperventilating lifestyles. In the modern environmental era, there has been too little focus on consumption. This is slowly changing, but most mainstream environmentalists have not wanted to suggest that the positions they advocate would require serious personal changes. This reluctance to challenge consumption has been a big mistake, given the mounting environmental and social costs of American "affluenza," extravagance and wastefulness.

The good news is that more and more people sense that there's a great misdirection of life's energy. In a survey 83 percent of Americans say society is not focused on the right priorities, 81 percent say America is too focused on shopping and spending, 88 percent say American society is too materialistic, 74 percent believe excessive materialism is causing harm to the environment. If these numbers are correct, there's a powerful base to build on.

Psychological studies show that materialism is toxic to happiness and that more income and more possessions do not lead to a lasting sense of well-being or satisfaction with life. What make people happy are warm personal relationships and giving rather than getting. Many people are trying to fight back against consumerism and commercialization. They say, Confront consumption. Practice sufficiency. Create social environments where overconsumption is viewed as silly, wasteful, ostentatious. Create commercial-free zones. Buy local. Eat slow food. Simplify your life. Downshift.

These prescriptions for change in the fundamental arrangements of capitalism are difficult, to put it mildly. What circumstances might make deep change plausible? A mounting sense of imminent crisis, wise leadership, the articulation of a new American narrative or story, as Bill Moyers has urged--all these would help. Most of all, we need a new politics and new social movement powerful enough to drive change.

Environmentalists must join social progressives to address the crisis of inequality unraveling our social fabric and undermining democracy. It is a crisis of soaring executive pay, huge incomes and increasingly concentrated wealth for a small minority while poverty rates approach a thirty-year high, wages stagnate despite rising productivity, social mobility and opportunity decline, the number of people without health insurance soars, job insecurity increases, safety nets shrink and Americans have the longest working day of all the rich countries. In an America with such vast social insecurity, where half the families just get by, economic arguments, even misleading ones, trump environmental ones.

Environmentalists must also join those seeking to reform politics and strengthen democracy. America's gaping social and economic inequality poses a grave threat to democracy. We are seeing the emergence of a vicious circle: income disparities shift political access and influence to wealthy constituencies and large businesses, which further imperils the potential of the democratic process to act to correct the economic disparities. Corporations have been the principal economic actors for a long time; now they are the principal political actors as well. Neither environment nor society fares well under corporatocracy. Environmentalists need to embrace public financing of elections, lobbying regulation, nonpartisan Congressional redistricting and other reforms as a core of their agenda. Today's politics will never deliver environmental sustainability.

My point of departure was the momentous environmental challenge we face. But today's environmental reality is linked powerfully with other realities, including growing social inequality and neglect and the erosion of democratic governance and popular control. So my conclusion is that we as citizens must mobilize our spiritual and political resources for transformative change on all three fronts. Our best hope for change is a fusion of those concerned about environmental sustainability, social justice and political democracy into one progressive force.

One area where fusion is beginning is the conversation between environmental and social justice activists on solutions, including green-collar ones, to the climate change threat. That's encouraging, but it's a small part of what's needed. Mostly, everyone is still in his or her silo. A sustained dialogue is urgently needed among the three communities, to build a common agenda for action and a shared commitment to build a new social movement for change in America. We are all communities of a shared fate. We will rise or fall together.

About James Gustave Speth

James Gustave Speth, dean of the Yale School of Forestry and Environmental Studies, is the author of *The Bridge at the Edge of the World: Capitalism, the Environment, and Crossing From Crisis to Sustainability* (Yale).