Hailey Wattman

Introduction to Global Studies

Roger Rouse

28 April 2016

Why Neoliberal Capitalism Causes The Planet To Suffer

As our world continues to turn and neoliberal capitalism continues to operate with full force, climate change has become more and more of a pressing issue in our modern society. As big corporations have rapidly become more and more infatuated with mass-production and neoliberal capitalism has driven the American population into a mess of consumerism, C02 emissions have risen drastically. Due to this, our climate has already warmed 1 degree Celsius above preindustrial levels (Rouse 2016)[[1]](#footnote-1). Our consumerist society is driving a system where resources are being used beyond their ability, and in today’s world the effects are visible. Climate change is one of the most glaring signs that neoliberal capitalism is a failing system. Neoliberal capitalism revolves around the deregulation of businesses. Without regulation, these businesses are able to use extreme amounts of fossil fuels in their factories, emit greenhouse gasses through movement of resources and products across the globe, and create products that are meant to be thrown out rather than fixed. After the “stagflation” of the 1970’s, there was intense pressure for economic growth (Klein 2011: 8). This, combined with the deregulation and privatization of businesses, created a system where companies try to create the cheapest products possible no matter what cost to the world. They export labor to foreign countries where it will be cheaper, yet this creates an immense amount of C02 due to the need to transport materials back and forth. Neoliberal capitalists tend to have the mindset that resources will never run out. In today’s world, resources are being depleted at a rate more rapid than ever, but the overwhelming support for neoliberal capitalism has brainwashed the American population into ignoring the warning signs. A moderate neoliberal capitalist still accepts climate change as an issue, but not a pressing one. Specifically, Bjorn Lomborg focuses more on the economic profit that can be gained from climate change. Because people tend to consume more when it is warmer outside, global warming can have a net benefit to the GDP (Lomborg 2013: 1). He compares the impact that the damage will have to the world with the increased consumption and comes to a conclusion that climate change “does not signify the end of the world” (Lomborg 2013: 1). What Lomborg fails to acknowledge is the fact that climate change quite literally signifies the end of the world. The planet is destroying itself. Storms are more violent than ever, as Josh Fox points out examining Hurricane Sandy in his documentary “How To Let Go Of The World” (Fox 2016). The air has become toxic to breathe in Shanghai. The water levels are rising at a rate that will put major cities on the edge of the continents underwater (Fox 2016). How can we sit back and examine the economic growth that such a catastrophe is creating? Radical neoliberal capitalists tend to deny climate change. The main demographic of these radical neoliberal capitalists are elderly white men (Klein 2011: 13). This is particularly interesting because this demographic comes from a place of great privilege. Because changing the current state of global warming would call for extreme reform of how our current system operates, they tend to deny climate change in order to avoid this. Climate change also affects those who the capitalism system has favored much less. Climate change more so affects those in poverty, those who rely on self-sustaining farms, those who cannot easily bounce back from a natural disaster, etc. In order to fix climate change, we would need to call for more regulation of big businesses typically run by white men. Thus, a reform of our system in order to prevent climate change would mean losing profit for the rich white man. These arguments against climate change directly deny scientific facts. They also fluctuate – speakers against climate change tend to switch between arguments simply denying the warming and arguments that the warming is not a problem (Klein 2011: 2). Currently, first world countries that have previously reported having a lot of C02 emissions have celebrated lessening them. The first world is currently only responsible for 43% of C02 emissions while they previously were responsible for almost all of them (Lomborg 2013: 6-7). This is simply an illusion because most of the large businesses in the first world have moved their production plants overseas. Due to this, more emissions are coming from third world countries, but they are results of the first world. For example, Great Britain proudly claimed that it reduced emissions 14% over the past 20 years. This was simply a result of outsourcing and the proclamation was meant to make people around the world feel comfortable about climate change. In actuality, when counting their overseas companies, Great Britain increased emissions by 18% over the past 20 years (Lomborg 2013: 7). These feel-good statements are meant to keep the people feeling good about neoliberal capitalism. If a citizen does not educate themself about the realities of climate change, they will listen to this plea and be happy, thinking that the world is simply getting better. In reality, they are skewed numbers. These big businesses know that neoliberal capitalism is driving climate change, but they do not want to lose profit. In order to keep their profit up, they must keep the population happy with the current state of the world. Climate change has, because of this, become less of an issue in the public eye. In 2007, a Harris poll revealed that 71% of Americans believed fossil fuels caused climate change (Klein 2011: 3). In 2009, this dropped to 51% and in 2011 it dropped to 44% (Klein 2011: 3). This shift is mainly among the Republican Party, as 70-75% of Democrats believe that human beings are changing the climate (Klein 2011: 3). Since those who deny climate change used points about economics to gain favor, the leftists need to do this as well. In today’s world, a growing number of people are beginning to realize that neoliberal capitalism is causing loss of jobs and slavery to debt (Klein 2011: 4). If the leftists begin to argue more loudly that a reform for climate change could also help close the wage gap and relieve inequality, more people could get on board to promote change. Climate change needs to be tackled, and it needs to be tackled fast. Individual efforts like recycling and reduced water use will only affect climate change in a small ways. In order to really change our planet, we need to tackle the efforts made by collective organizations. We need to regulate the amount of carbon businesses are allowed to emit. This means we also must ration the amount of transport businesses are able to use. This would cause a reduction in outsourcing, unless it was more carbon-efficient to make the product overseas. If clean, efficient public transit such as trains and busses were offered affordably to everyone, we could cut down on emissions from cars. This should come from the public sector since it is in the public interest and would not be a profitable private business. While this may cause some deficit in the government budget, climate change is a much more pressing issue that needs to be dealt with as soon as possible. This will require an immense amount of planning and organization. Some areas of work will become no longer needed once our population is rid of fossil fuels. This means that we as a population need to plan a redistribution of the job world. Instead of running businesses for greed and corporate profit, they need to be run in the public interest. If businesses were forced to be less corrupt and cut less corners, employees could be used to maintain background checks on areas like labor usage (particularly, looking out for conditions in factories) and carbon usage. Agriculture can also become another source of jobs if we tackle the problem of soil-depleting annual grain crops (Klein 2011: 7). If methods and amounts of large, carbon-fueled transportation were limited, this would cause a reduction in outsourcing. If more businesses made their products in the country in which they are based, this would create more jobs for those citizens. Yes, it would take jobs away from those third world countries, but this is not necessarily a bad thing. Those jobs are typically jobs in unregulated sweatshops with terrible conditions. At Aplus clothing factory in Dhaka, the workers are paid only 63 dollars a month – and this is 66 percent above the basic industry wage. (Majumder 2013: 1) The air is typically so dirty that the workers wear masks, and they work 12-hour days to pay the bills (Majumder 2013: 1). If these factories were moved to a first-world country where the headquarters of the business are they would need to be much more regulated. The conditions would be much better and offer stable jobs to citizens. If reckless free trade is reformed, farmers who were previously unable to compete with cheap imports can go back to being self-sustainable. Most of the sweatshop workers in the cities of third world countries are people who moved in from the country because they could no longer support themselves. Neoliberal free trade created sweatshops, and it must take them back. These new factories in countries that are emitting the most C02 can be a source of jobs for those who lose them when we no longer use fossil fuels. One of the most pressing problem our American society faces that contributes to our ecological downfall is the obsessive consumerism. Neoliberal capitalism has trained us to buy material goods at an intense rate, and often throw out perfectly good items. This is displayed in our fashion industry where people buy new clothes for every season just due to trend and not due to function. Companies often create products that break on purpose so that consumers need to buy a new one of their products. They create it so that it lasts enough to leave the consumer satisfied, but short-lived enough that they want another of the product. When Apple released the iPhone 5, they issued a new charger for the phone. They redesigned the charging port on the phone so that you need a new cable. This was created not for function, but as a ploy to get the consumer to buy all new charging cords and phone cases to fit. These methods do create economic growth, but not in a good way. The money is fueled into large corporations and in the process material goods are wasted. Since we buy so much new product, we waste material goods through packaging. We also throw away perfectly fine working products for new ones, exponentially increasing the amount of raw material used in the world. These raw materials are not endless and we will run out eventually. We need to stop creating products that are meant to be disposed and start valuing things for durability. We also need to reject fashion trends and use clothes that we already have. There are plenty available stores such as Goodwill and Salvation Army where one can shop around and buy recycled clothes that fit their fashion taste. A new store, Plato’s Closet, also does this but is aimed towards teens and young adults, selling popular brands such as Urban Outfitters, Free People, Hollister, American Eagle, etc. The store is more tailed towards style, which offers a compromise for those who do not want to give up fashion. An increase in stores like this could eliminate waste from disposing clothes and also reduce the consumption of raw materials making new ones. In order to coax green energy into our neoliberal capitalist world, we must make it cheaper and more accessible. While this is a neoliberal solution, it is important that we do whatever we can to save the planet as soon as possible. Since a reform of our entire economic system would take immense time to plan and implement, I believe extended research in green energy is a good place to start now. It is a change that would be mostly accepted by both the lefts and the moderate rights. If we funneled more money into research of green energy, it is likely that we could find cheaper, efficient energy faster. The Copenhagen Consensus on Climate suggested that we increase the current investment of $10bn to $100bn/year globally (Lomborg 2013: 12). This is 0.2% of the global GDP (Lomborg 2013: 12). All of the above proposed solutions to climate change will cost a significant amount of time and money. One of the common neoliberal arguments against changing the way we treat our earth is simply “how will you fund that?” We can first create revenue by taxing carbon. Most efficiently, we can increase taxes on the wealthy. The top 5% of American households have had an income increase of 72.7% since the 1980’s (Hickel 2012: 4). On an even larger scale, the top 300 people on earth have more wealth than the 3 billion poorest (Hickel 2013: 1). Our economy has been growing massive inequalities – the filthy rich can afford to be taxed in order to better our world. In order to fix a problem about climate change, we should tax those who created it. This means taxing corporations like ExxonMobil, who can make $10 billion in profits in just one quarter (Klein 2011: 10). The top 5 oil companies have made $900 billion in profits in the past 10 years (Klein 2011: 10). For comparison, tobacco companies are held responsible for costs regarding helping people quit smoking. If tobacco companies are held responsible for their harmful effects, shouldn’t big polluters be? Long story short, we need to do something about climate change now. Neoliberal capitalism has created a mentality in the American people that resources will never run out but if one cares enough to look at the evidence, they can see that these resources are running out fast. Our Earth cannot take any more big businesses that cut corners and pollute immensely. Neoliberalism has done enough damage to our planet. We must implement these models of taxing big corporations, of increasing public transport, of researching green energy, of taxing carbon, and more. We must take a stand against this neoliberal way of thinking and create a new economic model for our society. We are damaging the earth at an immense rate, and it cannot handle it any longer.

Hickel, Jason

2013 The Truth About Extreme Global Inequality. Al Jazeera, 14 Apr 2013. Accessed on December 24, 2015 at http://www.aljazeera.com/indepth/opinion/2013/04/201349124135226392.html

2012 A Short History of Neoliberalism (And How We Can Fix It). New Left Project, 22 October, 2012. Accessed on December 24, 2015 at http://www.newleftproject.org/index.php/site/article\_comments/a\_short\_history\_of\_n eoliberalism\_and\_how\_we\_can\_fix\_it

Klein, Naomi  
2011 Capitalism vs. the Climate. The Nation, November 9, 2011. Accessed on January 3, 2015 at http://www.thenation.com/article/164497/capitalism-vs-climate

Lomborg, Bjorn  
2013 Policy Relevant Climate Issues in Context. Testimony for the Subcommittee on

Environment, House of Representatives, United States Congress. Accessed on January 4, 2014, at http://science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG- 113-SY18-WState-BLomborg-20130425.pdf

Majumder, Azad  
2013 Day in the Life: A Bangladesh Garment Worker. Thomson Reuters Foundation. 13 Aug, 2013. Accessed on January 3, 2015 at http://www.trust.org/item/20130813111935- 9ao2j/

Fox, Josh

*How To Let Go Of The World (And Love All The Things Climate Can't Change)*. Dir. Josh Fox. Josh Fox, 2016. Film.

1. Lecture from March 31st, 2016. Roger Rouse Intro to Global Studies. [↑](#footnote-ref-1)