Sarah Rizk

Neoliberalism has attempted to set up an economic system in which free trade provides a way for individual economies to develop, which turns into individual choice. As free trade becomes increasingly more prevalent, capitalism has expanded, making corporations profit in excess. As these corporations were creating more revenue and the financial crisis was occurring, greed was increased. People were expected to buy things to stimulate the economy, fueling a string of consequences such as ecological damage, the dependence of materials, and unequal wealth distribution. We, as America, looked externally to sustain ourselves, as it focused on profit maximizing as shown through concepts such as the clothing industry. These became cultural ideals—the idea that consumerism and material wealth created value. The whole world, but specifically the poor, is facing severe ecological challenges because of the cultural, political, and economic results of neoliberal capitalism and its ideals of profit maximizing and overconsumption.

Currently, we are facing detrimental effects of climate change all over the world. As Manfred Steger points out, the ecological effects of globalization are unprecedented. The scale, the speed, and the depth of the changing and overall declining environment on Earth has been deeply changed by the cultural, political, and economic effects of neoliberal capitalism (Steger 2013 Chapter 6). In the scientific community there is no doubt in the proof that the climate is changing, rapidly, and in response to anthropogenic causes. An extremely simplified explanation of climate change shows the increase of carbon dioxide emissions in the atmosphere after the industrial revolution. The excess amounts of carbon dioxide, along with other fossil fuel emissions, create a hole in the ozone that warms the planet. The Paris Climate agreement is a non-binding agreement that has pledged to reduce the amount of fossil emissions to keep the climate from warming more than 1.5 degrees Celsius above pre-industrial levels, which at that level, marks the tipping point of serious danger. A group of 187 countries around the world have put forth plans to do so, extending to as far as the year 2030. This includes the pledge to contribute to “decision-text” which is a concept that agrees to contribute financially in order to helping developing countries fight climate change (Vaughan 2015). Without these scientific reasons behind the changing climate and the unification of countries working against it, we would not be capable of truly recognizing the scope of the problem. And, as Steger states, unless we are willing to look at these underlying issues of culture, economy, and politics, the Earth is in a dangerous state.

Oprah Winfrey is a good example of the way that neoliberal capitalism shapes our current cultural ideas. Winfrey discourages the examination of the possible economic or political basis of feelings of anxiety or financial insecurity, as a fault of our system and rather advises to turn gaze inward and reconfigure ourselves to be more adaptable to neoliberalism. The value we place on succeeding in the ideal of the “American Dream”, a remarkably changing concept from its original formation, forces the American population to adapt ourselves to a changing preferred over changing the world we live in. This makes way for socio-economic concepts such as The Bottom of the Pyramid (BOP). We are taught to value individual analysis, rather than truly looking at the structural problems in our cultural and current state of economy (Aschoff 2015). We have become so accustomed to explaining people’s fate in the world in an individual capacity, rather than acknowledging our potential to create change in the structural wrong doings of the neoliberal capitalism system, where the end goal is profit maximizing.

There are conflicting views on the economical impact of an individual’s value and the opportunities of profit maximizing within a company. In “New Face of Development” by Catherine Dolan, she describes how poverty equals opportunity through BOP mentality. She proposes new forms of inclusive capitalism where there are promises of idealized exchange between material assets of business and social aspects of the poor, seeding opportunities for the both the poor and the wealthy (Dolan 2012). However, I believe this to be an extremely destructive mentality. By attempting to turn the gaze inwards on those who are poor, then one merely transfers the blame rather than attempting to find the solution. The analysis should be aimed more towards the negatives of neoliberal capitalism, which is the system that reinforces poverty. In “New Prophets of Capital” by Ashoff, the true power and intentions of capitalism are made clear. All of the everyday micro-interactions that occur within and between the current economic structure, are driven by the overarching goal of making profit. This changes the focus from examining the human needs but rather to receive return on investments. By way of cultural reinforcement, things that were once outside of the commodity relation, such as land and water—basic human needs, are now for sale (Ashoff 2015).

Even in a developed country like the United States, privatization, an ideal of neoliberalism, has negatively impacted the best ways of ensuring cleaning clean water and adequate means of sanitation. I believe that as a human, clean water is essential and it should not be a commodity to make profit off of, however that is what is happening when private companies take off the water distribution. Privatization creates price hikes, which specifically affects low-income households. These private companies can then decide what neighborhoods are better to invest their money into, a concept referred to as “selective investment”. These tend to be the neighborhoods that can afford to pay their bills in a timely matter. When the poor neighborhoods and individuals are unable to pay, it cuts their existing connections to water, and forces them to turn to having little water supply or unsafe water, ultimately resulting in compromises to their health. Private investors tend not to invest in infrastructure that can provide safe water equally, because culturally, it has been reinforced that profit maximizing is the goal. Because private players are focused primarily on making the maximum amount of profit, water, a living necessity has become for sale (Food and Water Watch 2011). Authors such as Fredrik Segerfelt believe that private sectors have better control over the quality of infrastructure, which he believes is the primary issue (Segerfelt 2006). However, although it may be possible for private sectors to have better control, that does not mean that they do. Using the example of Pittsburgh, the water under the control of a private company, Veolia, caused not only prices to skyrocket, but also the water to turn brown. The Pittsburgh water and sewer authority attributes this to water main breaks under the control of Veolia, hydrant flushing, and the addition of manganese in the water (Glenza 2016). “Our Right to Water” by Maude Barlow offers a new outlook on the structural way we look at water—the mismanagement of protecting Earth.

Barlow argues that humans in general have mismanaged and displaced water, as if water is indestructible, and that as this happens water becomes private property to those who are able to afford it. This idea calls for new economic policies that are based on the principles of inclusion, not only for the people, but for the protection of our resources (Barlow 2012). In order for this to best applied, it is necessary to stop profit maximizing. The developed countries are the main beneficiaries and investors of capitalism, however, capitalism also controls the economies of the undeveloped countries in the global south. The capitalistic ideals that drive progress in developed countries has devastating effects on these less established countries, who are being forced to take the brunt of this overconsumption and profit maximization. By doing this, we are not taking Barlow’s advice to protect the Earth. A prime example of this is the fashion industry. The pressure to flaunt economic stature is reflected in the concept of “fast fashion”, where there is a new standard of fashion weekly and in order to profit maximize, fashion companies must produce at a greater rate. Those in the global south are forced to support the capitalistic and overconsumption habits of those in developed countries in the global north by working in sweatshops, reducing them to the cycle of poverty (The True Cost 2015). Authors like Dolan would believe that this is fallacious when considering the situation. There is sentiment that the poor should be regarded as resilient entrepreneurs and demanding customers because poverty creates opportunity, and therefore profit (Dolan 2012). This echoes the thoughts of people, referred to as “sweatshop enthusiasts”, who give way to the idea that poverty stricken countries should feel lucky to have opportunities in the sweatshops because they have a job. However, in accordance with Jason Hickel, I believe this is precisely the problem. Instead of “taking poverty for granted we should question the processes that produce it—the policies that make people desperate” (Hickel 2011). Shown through the economic reinforcement of the poverty cycle, financial growth occurred in the form of high-risk hedge funds, causing the financial crisis of 2008 in America. The world’s financial systems have become so characterized by the high vitality, competition, and insecurity that drives making profit off of developing countries. This allows for financial services to borrow, sell, or pass on the risk instead of relying on savings[[1]](#endnote-1). Therefore, keeping those unable to contribute, in the cycle of poverty.

Patrick Bond explains this burden that the global south carries to support the consumerism of the developed global north in the article, “Who Wins from ‘Climate Apartheid’”. He states that certain parts of the world, particularly those of color, are the most vulnerable because there is no consciousness of climate change. Developed countries are using a capitalistic strategy of offsetting local emissions by “buying” other countries carbon allowances. This causes these underdeveloped parts of the world to bear the cost of consumerism, while everyone elsewhere reaps the benefits. In this, we are reinforcing uneven distribution as the ultimate inequality (Bond 2016). As we, as humans, allow this to happen we are permitting the greed of profit and consumerism to guide our beliefs and morals. This is a cultural effect of the neoliberal ideals forced upon us in our current economic system. The fashion powerhouses in America look to outsource both labor and material from underdeveloped countries in order to limit the amount of resources used locally, maximizing their profit. When outsourcing to sweatshops, corporations can make exuberant amounts of money in a short amount of time. The sweatshop workers make significantly less than what the same job would pay locally. The resources used up are coming from these underdeveloped countries and therefore developed countries are utilizing their carbon emissions. As we are told to value our monetary worth above all, dressing as to appear well off in the social order has become the cultural normalcy, regardless of the ecological and social effect this. In the short film, “The Story of Stuff” Annie Leonard criticizes this consumer lifestyle by explaining the ecological effects our material economy by showing the connections between a sustainable future and the dissolution of neoliberal ideals.

Leonard shows that out of the 100 largest economies currently operating on Earth, more than half of them are corporations. Corporations of a result of neoliberal capitalism are encouraged to maximize profit rather than studying the ecological or social benefits of doing otherwise. The United States has only five percent of the world’s population, however we are responsible for consuming thirty percent of the world’s resources and then creating about thirty percent of the entire world’s waste. She gives multiple statistics to set the scene regarding the percentage of drinkable water, remaining trees and forests, and average waste which are striking numbers. However, her main point remains that we “cannot run a linear system on a finite planet” (Leonard 2007). We are running out of resources in order to keep up with the overwhelming demand of consumption. Leonard tells us that each American is being targeted with more than 3,000 advertisements a day, reinforcing the cultural idea to keep buying goods. We have created an economy that is productive based on the ritual of consumption in which we feed our ego, placing value on materials rather than any of the more important intangible things. Leonard sums it up best by saying, “We need things consumed, burned up, replaced, and discarded at an ever-accelerating rate” (Leonard 2007). We continue the simplified structure of extraction, production, distribution, consumption, and disposal in a way that decreases production costs in order to increase demand through globalizing the markets and then expanding the sources of profit. Not only are we making consumption our way of life, we are burdening others with our irresponsible ecological consequences (Leonard 2007). The only solution to this consumer fueled way of life is to change our culture; to look ecologically rather than egotistically and in this way we will respect our Earth.

In “Global Capitalism: Crisis of Humanity and the Specter of the 21st Century Fascism” by William Robinson we are reminded that the global crisis is structural and is threatening to become systematic. This kind of capitalism is different than in the past; we are now reaching ecological limits of reproduction, violence and social control is unprecedented, and we are faced with the end of capitalism or the expansion of it. Capitalism must continuously expand, or it will collapse and we are moving towards expansion rather than collapse (Robinson 2014). Currently, the best ways to solve the movement towards capital expansion, is to move progress toward the localization of goods rather than outsourcing and towards the acknowledgement of human rights by virtue of being human.

Social culture and economic change must be resolved by starting locally and moving up. In accordance with authors like Barlow, respect for the earth comes first. Then we can focus on the structural changes that will inevitably stem from that. Both microfinance and cooperatives have been proposed to look at solutions to inequity and ecological damage. In accordance with author Marjorie Kelly, looking at a way to combat the current economic system is vital. Currently, we are locked into an economy that aims to profit offer the customers, rather than to service them. However, when looking to help customers with their human rights—by virtue of being human—we can progress towards an economy that is more sustainable where the goal is not to profit maximize. Kelly states that “the aim of max financial extraction is built into the foundational social architecture of our capitalistic economy—the concept of ownership” (Kelly 2013); we do not own the human rights necessary to live. There needs to be a cultural shift that puts land and labor into the community’s control by way of relationships. Food cooperatives, for example, provide local famers the opportunities to sell their goods to the community. Local farming, as shown through Bello and Baviera, is the most ecologically beneficially way of providing food. They suggest it is necessary to work from the bottom, at the local scale, up to the top at the global scale (Bello and Baviera 2010) in order to create a more beneficial system to all. In working in cooperatives, the community reaps not only the ecological benefits, but also works towards the progression of wealth equality.

In conclusion, through economic structure of neoliberal capitalism, we have become culturally wired to consume in ways that are detrimental to the environment, affecting the world but primarily the poor. It is vital to health of the earth we live on to look outwards and examine the structure we are in. Humans, by virtue of being humans, should be entitled to basic human needs which under neoliberal ideals, are not being granted due to inequalities of wealth, power, and inability to participate in the consumer lifestyle and material economy. The best solution to combat the ecological damage that overconsumption and greed has caused is to focus on the relationships between the earth and one another through way of cooperatives. By moving towards localizing, we will be better able to address the ecological consequences of our current system.

1. Notes taken from lecture on 9/27

Works Cited

Aschoff, Nicole

2015a Introduction: Storytelling. *In* The New Prophets of Capital. London: Verso, 115.

2015b Oprah Winfrey: One of World's Best Capitalist Thinkers. The Guardian, Saturday 9 May 2015. Accessed on December 24, 2015 at <http://www.theguardian.com/tv-and-radio/2015/may/09/oprah-winfrey-neoliberal-capitalist-thinkers>

Barlow, Maude

2012 Our Right to Water: A People’s Guide to Implementing the United Nations’ Recognition of the Right to Water and Sanitation. Ottawa: The Council of Canadians.

Bello, Walden and Mara Baviera

2010 Capitalist Agriculture, the Food Crisis & Peasant Resistance. *In* Hannah Wittman et al eds., Food Sovereignty: Reconnecting Food, Nature and Community. Halifax: Fernwood Publishing, 62-75.

Bond, Patrick

2016 Who Wins from “Climate Apartheid”?: African Climate Justice Narratives about the Paris COP21. New Politics 15 (4): 83-90.

Dolan, Catherine

2012 The New Face of Development: The ‘Bottom of the Pyramid’ Entrepreneurs. Anthropology Today 28 (4): 3-7.

Food and Water Watch

 2011 Water=Life: How Privatization Undermines the Human Right to Water. Accessed on January 4, 2014, at <http://www.foodandwaterwatch.org/briefs/water-equals-life/>

Glenza, Jessica. "Pittsburgh Water." *The Guardian*. Guardian News and Media, 12 Sept. 2016. Web. 14 Dec. 2016.

Hickel, Jason

2011 Rethinking Sweatshop Economics. Foreign Policy in Focus, July 1, 2011. Accessed on December 24, 2015 at <http://fpif.org/rethinking_sweatshop_economics/>

Kelly, Marjorie

2013 The Economy: Under New Ownership. Yes! Magazine. Spring 2013. Accessed on January 3, 2015 at <http://www.yesmagazine.org/issues/how-cooperatives-are-driving-the-new-economy/the-economy-under-new-ownership>

Leonard, Annie. "Story of Stuff (2007, OFFICIAL Version)." *YouTube*. YouTube, 22 Apr. 2009.

 Web. 14 Dec. 2016

Robinson, William I.

2014 Global Capitalism: Crisis of Humanity and the Specter of 21st. Century Fascism. The World Financial Review, May-June 2014, 14-16.

Segerfeldt, Fredrik

2006 Water for Sale: How Business and the Market Can Resolve the World’s Water Crisis . Presentation at the Amigo Society, Brussels, 30 May, 2006.

Steger, Manfred B.

2013 Globalization: A Very Short Introduction. Third Edition. Oxford: Oxford University Press.

*The True Cost*. Dir. Andrew Morgan. Prod. Michael Ross. Bull Frog Films, 2015. *The True Cost Movie*. Untold Creator, LLC, 2015. Web.

Vaughan,Adam

2015 Paris Climate Deal: Key Points at a Glance. The Guardian, Saturday 12 December 2015; last modified on Sunday 13 December 2015. Accessed on December 24, 2015 at

<http://www.theguardian.com/environment/2015/dec/12/paris-climate-deal-key-points> [↑](#endnote-ref-1)