

Climate change and economic consumption

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Credit: public domain

Like many environmentalists, I am impressed and inspired by Greta Thunberg. Her direct and clear message on the need to respond to climate change is a lesson to all of us. While I agree with most of her message, I take issue with some of it. Let's consider a portion of her recent talk at the U.N. whose message went viral:

"You have stolen my dreams and my childhood with your empty words. And yet I'm one of the lucky ones. People are suffering. People are dying. Entire ecosystems are collapsing. We are in the beginning of a mass extinction, and all you can talk about is money and fairy tales of eternal economic growth. How dare you!"

Economic growth may be a fairytale to some, but to the over 700 million people worldwide living in conditions of extreme poverty, it is not a fairytale but a necessity. And for the long-term political stability of the world, the elimination of all poverty and reduced income inequality will likely depend on both increased taxation of wealth along with economic growth. But what can and must change is the nature of that economic activity and its impact on the planet.

Put simply, eating a meal at a restaurant is an economic activity, but the environmental impact of a salad is likely to be less than of a steak. A ride on the subway has a lower carbon footprint than a trip to the same destination in an SUV unless the SUV is electric and shared with six other passengers. We can swim in the ocean and sit on a beach or ride a jet-ski and return to the cabin cruiser. The first activity is environmentally benign, the second much less so. It's all consumption and any lifestyle of activity, excitement and learning requires resources. But even though all consumption and production can be measured in dollars, each dollar's impact on the environment is not equal.

One of my long-term concerns about environmental politics has always been the tendency of some environmentalists to focus on the negative and what must be sacrificed to save the planet. I prefer to focus on the positive and the advantages of a sustainable lifestyle. Politically, telling people what they can't have is a losing strategy. Rather than making people feel guilty if they like to eat meat, I think it's much more useful to demonstrate how delicious the alternatives can be.

There are many varieties of consumption and production and economic growth does not automatically translate into additional pollutant load on the planet. In the United States and other developed nations, we have decoupled the growth of the GDP from the growth of pollution. We do it by applying technology to control the negative impacts of other technologies. We also do it by creating technologies that perform similar functions with less environmental impact- for example, the technology of streaming movies compared to delivering the same product with video cassettes. The pollution control business, renewable energy business and energy efficiency business are real profit-making businesses. They create a product that we all need: cleaner air, water and land.

We need more of these businesses, not fewer of them and their existence is very real and no fantasy.

As we get more technically and managerially proficient, we will develop a growing capacity to close the loop on material production from start to finish. More and more new goods will be made of recycled rather than newly mined or manufactured materials. As our economy decarbonizes these energy-intensive recycling processes will have a lower and lower impact on greenhouse gas emissions. We need technology, organizational capacity, human ingenuity and political will to make this happen. To move a massive economy away from practices that harm environmental quality we need additional federal regulation and both financial incentives and disincentives to hardwire sustainability management into organizational life. The ideological intensity and institutional dysfunction in the United States [national government](#) is hindering this effort, but fortunately, there are governments in other parts of the world and in America outside our capital that understand the crisis of global sustainability. In America, our local governments must deliver real daily services and have managed to maintain that streak of pragmatism that still seems to dominate the culture of our way of life. Adapting to climate change may be called flood control in some places, but the result

is the same.

More important than what's going on in government, there is evidence that we are in a massive cultural shift as young people entering organizational life and the world of work are demanding that organizations pay attention to their environmental impact. In our brain-based economy, the most talented young people have the leverage to make demands of their elders and they are doing just that. Fortunately, it's not culture alone that's changing but the cost structure of reducing environmental impact. As Chris Martin and Millicent Dent recently observed in Bloomberg:

"It's time to stop crediting corporate sustainability efforts as acts of altruism. For big business, protecting the environment often means padding the bottom line. Nike Inc. has come up with a way to weave more efficiently, reducing the raw material and labor time needed to make each shoe. That has kept more than 3.5 million pounds of waste from reaching landfills since 2012. But the good news doesn't stop with the environmental impact. The company is spending less on transportation, materials and waste disposal.... Tech giants have spent billions of dollars on solar and wind power, cutting greenhouse-gas emissions and energy expenditures at the same time. Alphabet Inc.'s Google, Amazon and Facebook Inc. are now some of the largest buyers of green power in America. Turns out it's not just easy being green—it's also profitable."

The idea that we can grow our economy without harming the environment is not accepted by everyone, but more people are beginning to understand the concept. The importance of this growth is underscored by its political necessity. Poverty and its accompanying hopelessness are the breeding grounds for political extremism, political violence and terrorism. People with an ownership stake in society don't tend to want to blow it up. Those who perceive they have little to lose and maintain a

deep sense of grievance are one source of political violence. Another source are power-mad rulers

who attack their own people to preserve their authority. I make both of these points to indicate that climate change is far from the only problem that humanity faces. The pain and suffering of warfare is also a real and present danger. Political stability in the modern global economy is enhanced by economic growth. Political instability is often the result of the absence of that growth.

We need to address climate change with care and precision to ensure that the steps we take to decarbonize our economy promote growth and do not prevent it. As the technology of renewable energy, energy efficiency and energy storage has advanced it has lowered its price and become cost competitive with fossil fuels. We can anticipate that these advances will continue and that the best managed organizations will gravitate toward these energy sources for their economic as well as their environmental benefits. These benefits are not a fantasy.

What I wish was a fantasy was the slow-moving national governments that Greta Thunberg addressed at the United Nations. Their temporizing, insincere platitudes fool no one. It would be far better if they explained the real trade-offs they face. Here in New York City, the resources we would use to decarbonize or adapt to [climate change](#) must be traded off against resources that are also needed for homeless children, education, health care, senior services and mass transit. We can and must do more to move up the pace of decarbonization, but we will only achieve that goal by cutting out the symbolic rhetoric and getting down to the hard, daily work of changing the way we operate our homes, neighborhoods and organizations. Climate change requires nothing less than transforming the nature of economic production and consumption: Not to consume less, but to consume without destroying the planet that sustains us.

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