“Why capitalism is toxic to the environment?”

Fred Magdoff
Why Capitalism is Toxic to the Environment*

For many on the left, the environment has been a side issue, frequently relegated to occasional discussion and action. And for those involved in environmental struggles, there is no meaningful discussion around the idea that the very economic system under which we operate might be the overriding cause of the ecological problems we face. As Naomi Klein has put it, “leftists...have yet to recognize that the ecological crisis is the highest expression of the capitalist threat...” and “environmentalists...imagine we can solve the ecological crisis without confronting capitalism...”

A Short (and very inadequate) Introduction to Capitalism
The purpose of capitalism — and the way it functions — is to invest money in order to make more money. The motivations of investors are to make profits and accumulate, without end, ever-larger quantities of capital. This is done through either making something or providing a service and selling the product for more than what it cost (in labor, raw materials, machinery, etc.) to produce it. Capital can also be used to make more money without producing a tangible good or service. For example, when a bank loans money to buy a car, the buyer needs not just to pay back the original loan, but also interest on the money. Nowadays most of the financial system operates making money without doing anything that is socially useful—it’s predominantly a giant casino in which all kinds of bets are made in the hope of making profits.

It is important to keep in mind that the purpose of the capitalist economic system is not to provide the basic needs for all people, not to provide jobs for everyone that wants to work, not to protect the environment. As ecologist Richard Levins has put it: “Agriculture is not about producing food but about profit. Food is a side effect. . . . Health service is a commodity, health a byproduct.”

On the other hand, it is true that jobs are produced for many people and that a lot of people in advanced capitalist countries have their needs met. But this leaves out a large segment of society. And at the same time, all are damaged—even the well-off — by the competition and dog-eat-dog behavior that are encouraged in people as well as by the inequality that the system develops and maintains.

Capitalism is especially good at doing a number of things

a) Accumulating and concentrating massive amounts of capital in private hands.

* Revised from talks given at Occupy Boston (October 30, 2011) and the Deerfield (Florida) Progressive Forum (December 17, 2011).
b) Maintaining a large number of people in poverty or scraping by under precarious economic conditions. According to a report based on the 2010 United States Census, this includes one-half of the U.S. population—approximately 150 million people.

c) Stimulating crises of all sorts: economic, social, political, imperial (warfare and other types of imperial activities), and ecological.

For example, economic crises (recessions, with high levels of unemployment) occur at approximately 10-year intervals. And financial crises (such as the savings and loan bank crisis of the late 1980s and the financial system crisis that began in 2007), speculative bubbles that eventually burst (the “dot.com” bubble of 2000, the housing bubble of 2005-2007) are also occurring frequently. Wars are fought (directly or using proxy armies), normally under the leadership of the strongest economic power, to try to assure access to key resources. And, as discussed below, the very way the system functions leads to many kinds of environmental damage.

The Extent of the Assault on the Environment

It’s true that humans have caused local and even regional environmental harm in the past. However, with more people in the world, technologies that allow more rapid destruction, and an economic system that grows without end, human impact has extended to the entire earth and its life support systems. The unfolding ecological disaster is not just about climate change. Also important are pollution of air, water, and soil pollution, soil erosion, ocean acidification, species extinctions, etc. Our bodies are polluted with a variety of synthetic chemicals as well as metals such as mercury. All of these cause harm to humans and/or other species.

But climate change is probably the most compelling of all the problems because its effects of potentially catastrophic and global in nature. It is already having significant negative consequences for many people,

- Increased temperatures have decreased yields of rice in Asia and corn in Africa;
- By reducing the available reservoir accumulated during wetter times of the year, melting of mountain glaciers in the Himalayas and the Andes has decreased water availability in the dry seasons;
- Melting of the permafrost and sea level rise forcing Native American communities to move (the melting of permafrost causes a release of methane—a very potent greenhouse gas—into the atmosphere, causing a “feedback” in which warming produces effects that induce even more warming;
• Sea level rise causing saltwater intrusion into crop growing areas—already occurring in Vietnam’s Mekong Delta;
• Prolonged droughts (Australia, Horn of Africa, Southwest US) [In the 20th century rainfall in the Sahel has dropped by 20 or 30 per cent. Causing the world’s most severe long-term drought since recording began. One-sixth of trees died];
• Floods (Pakistan; Australia; Africa)—frequently in the same zones stricken by drought; and so on.

The seriousness of the situation can be seen in the words of Gus Speth, one of the most prominent U.S. environmentalists and former chairman of the Council of Environmental Quality in the Carter administration:

“All that human societies have to do to destroy the planet’s climate and biota and leave a ruined world to future generations is to keep doing exactly what is being done today, with no growth in the human population or the world economy.”

The more sophisticated environmentalists are aware that there are two overwhelming problems with the functioning of the capitalist economy that lead to environmental degradation:

**It keeps growing (when not in recession)** —using more of the earth’s nonrenewable resources and even using renewable resources faster than they can be replenished. In addition, many recognize the incredible amount of waste generated in production, packaging, and selling of commodities. As a sign at Occupy Wall Street said “Infinite Growth on a Finite Planet is not Possible.” These more sophisticated environmentalists understand that part of what keeps the economy growing is the successful drive to get people to purchase more and more stuff—what we usually call consumerism.

**These environmentalists also understand that many negative unintended consequences occur in the processes of production and consumption**—usually referred to as social and economic “externalities.” In addition to environmental harm, other “externalities” include wars over access to resources, the lack of good jobs, poverty, disparities of wealth and conditions of people, loss of homes and savings during economic crises.

A passage from another article by Gus Speth:

Economic growth may be the world’s secular religion, but for much of the world it is a god that is failing—underperforming for most of the world’s people and, for those in affluent societies, now creating more problems than it is solving. The never-ending drive to grow the overall U.S. economy undermines communities and the environment. It fuels a ruthless international search for energy and other
resources; it fails at generating the needed jobs; and it rests on a manufactured consumerism that is not meeting the deepest human needs. Americans are substituting growth and consumption for dealing with the real issues—for doing things that would truly make the country better off. Psychologists have pointed out, for example, that while economic output per person in the United States has risen sharply in recent decades, there has been no increase in life satisfaction, and levels of distrust and depression have increased substantially.

But, while many environmentalists admit that the way capitalism is currently working is a major cause of ecological destruction, most don’t believe that the problem is the fundamental way that capitalism must work. Therefore, all sorts of “solutions” are proposed that leave the system intact. These include such schemes as trying to get corporations to take into account other goals in addition to profits, encouraging “green” production practices and consumption of “green” products, trying to account for “externalities” in the prices of products, cap-and-trade using carbon trading, purchasing carbon-offsets; promoting more efficient use of energy; and so on.

However, no-growth capitalism is not possible. This is the critical issue—the Achilles heel of the capitalism regarding its effects on the environment. Individual companies must grow to compete with others (or buy them out) for increasing market share, new companies must grow to establish themselves, and the economy as a whole has to grow. And, the economy must grow to provide jobs for a growing population and for those displaced by introduction of new technologies. Thus, if there is no growth the system is in crisis, with many people suffering. In fact, even slow economic growth causes severe suffering.

Economic growth in mature capitalist economies (such as in the U.S.) is not an efficient way to produce new jobs. The system needs significant economic growth—on the order of 3 percent a year or more—in order to avoid a major crisis with a large sector of unemployed people. This year (2011) the economy is expected to grow between 1 and 2 percent. Even a 2% rate of growth—very modest and not sufficient to produce enough jobs to dig out of the Great Recession hole—will cause a doubling of the economy (GDP) in 36 years. At 3% annual growth, a doubling occurs in 24 years.

Here we are in December 2011, 4 years after the onset of the Great Recession and two and a half years after it was declared over. The economy has been growing since the “end” of the recession, but there are almost 7 million fewer jobs than there were four years ago and we have some 25 million unemployed or underemployed.

Let’s turn to the ecological damage that happens largely inadvertently as capitalists go about the process of extracting and processing raw materials, making product, building factories, malls, etc. Since these effects
must occur the way the system works, “externalities” are actually *internal* to the workings of the system. As Frederick Engels pointed out well over a century ago:

> As individual capitalists are engaged in production and exchange for the sake of the immediate profit, only the nearest, most immediate results must first be taken into account. As long as the individual manufacturer or merchant sells a manufactured or purchased commodity with the usual coveted profit, he is satisfied and does not concern himself with what afterwards becomes of the commodity and its purchasers. The same thing applies to the natural effects of the same actions. What cared the Spanish planters in Cuba, who burned down forests on the slopes of the mountains and obtained from the ashes sufficient fertilizer for one generation of very highly profitable coffee trees—what cared they that the heavy tropical rainfall afterwards washed away the unprotected upper stratum of the soil, leaving behind only bare rock! In relation to nature, as to society, the present mode of production is predominantly concerned only about the immediate, the most tangible result; and then surprise is expressed that the more remote effects of actions directed to this end turn out to be quite different, are mostly quite the opposite in character.

Although environmental destruction is embedded within the very DNA of capitalism, there are actions that can and should be taken and that progressives can fight for.

Here are a few, not an exhaustive list, of actions worth pursuing:

- A carbon tax in which 100% of the tax is returned on with an equal amount going to each person—thus, those who use less energy (mainly the poor) will come out ahead.

- Try to block especially polluting forms of energy—such as
  - hydraulic fracturing of rock to produce oil and gas;
  - exploitation of the tar sands (the XL pipeline);
  - deep ocean drilling;
  - coal use for electric power generation.

- Agitate for the U.S. to agree to a binding accord that leads to lessening greenhouse gas emissions and moving to uniform world per capita emissions, with cutbacks far deeper in the rich countries with large per capita carbon footprints.

- Support local farms that use ecologically sound practices.

- Eliminate all U.S. military bases abroad, stop all wars, and drastically reduce military spending.
• Promote renewable energy sources that are more environmentally sound, while understanding that each may have its own problems.

• Educate oneself and others concerned with the environment about
  1. the deeper causes of environmental problems, and
  2. How most of the problems facing humanity—such as poverty and hunger, unequal wealth and income, imperial wars, environmental degradation—are connected to one another. And they are put in place, maintained, and made worse by our current economic/political/social system. This system makes it impossible for people to develop their full human potential.
  3. AND, instead of Margaret Thatcher’s TINA (There Is No Alternative) we must argue ASIP—Another System Is Possible. In fact, it is essential if we are to preserve the planet, its people, and the many other organisms with which it is shared.

There is no solution to the environmental problems facing the world within the framework of capitalism.

With capitalism, people are at the service of the economy—you must work under conditions and at pay rates determined by others and you are encouraged to purchase more and more stuff just in order to keep the economy going.

What’s needed is an economy at the service of the people— whose purpose is to meet the needs of all people while protecting the environment (which itself is a basic human need).

A humane and ecologically sound society is one that will need to be the opposite of capitalism in essentially all aspects. Such a society must develop a new culture and ideology based on fundamental principles such as substantive equality so that development of one’s full human potential is possible. This will require an economic and political system under social—instead of private—control. This ecological civilization will need to stop growing when basic human needs (material and non-material) are satisfied, protect natural life support systems, and respect the limits to natural resources. This implies a profoundly democratic system, in which people are actively involved in making both economic and political decisions, in their communities as well as at multi-community, regional, and multi-regional levels.

One of the interesting aspects of the Venezuelan experience has been the creation of literally tens of thousands of Community Councils throughout the country. One of the responsibilities they have is to decided what infrastructure they need—paved roads, running water, a new clinic or school, etc. Once funds are allocated from the national government, along with needed expertise, much of the work is done by volunteer work from community members.
It is inconceivable that capitalism itself will lead to an ecological civilization that provides the basic needs for all people. However, building an ecological civilization that is socially just will not automatically happen in post-capitalist societies. It will occur only through the concerted action and constant vigilance of an engaged population. We need to view ourselves as part of nature, not apart from nature. Our future—as well of the future of many other species of life—is intimately tied to the creation of a new society and new ways of interacting with each other and with the earth.

An egalitarian society is essential for the creation of an ecologically sound and sustainable social system. This becomes clear because we would need the resources of many earths to provide for everyone to live at a “western middle class” standard of living. Thus, morally and practically, we must all live together at a more modest standard of living. This means less stuff for the very wealthy and middle class as well as many other changes, such as a much better public transportation system with less reliance on automobiles. However all the essential material and non-material needs will be met and a richer existence is possible for everyone. Eliminating the incredible amount of capitalism’s wasted production and labor (for advertising, real estate, the financial industry, designing new ways to package products, etc.) will allow more free time for interactions within families and communities as well as cultural and recreational opportunities so each person can fully develop his/her human potential. And the formation of a community with nature is essential in forging an egalitarian human community. An ecological revolution means breaking with the exploitation of both people and nature.
About The Author

Fred Magdoff is professor emeritus of plant and soil science at the University of Vermont. His most recent books include What Every Environmentalist Needs To Know about Capitalism A Citizen’s Guide to Capitalism and the Environment (with John Bellamy Foster), Agriculture and Food in Crisis (edited with Brian Tokar), The ABCs of the Economic Crisis (with Michael Yates), and The Great Financial Crisis (with John Bellamy Foster).

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Additional pamphlets are available for download at: zinnlectures.wordpress.com